LIQUOR POLICY REVIEW

# LIQUOR POLICIES FOR BRITISH COLUMBIANS

PROVINCE OF BRITISH COLUMBIA

*JUNE 1987*

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Honourable Mel Couvelier
Minister of Finance and
Corporate Relations

Honourable Lyall Hanson
Minister of Labour and
Consumer Services

It is my pleasure to respectfully submit herewith the report of liquor policy review.

The panel is making ninety-nine recommendations that we believe represent a progressive, yet responsible direction for liquor policies in British Columbia. These recommendations were developed following extensive consultation with British Columbians. Sixteen public hearings were held throughout the province at which almost 400 groups, businesses and individuals made presentations. Almost 1,000 letters and written briefs were also received as well as numerous signed petitions.

The issues before the panel were extremely complex. We believe there are, however, four cornerstone issues that must be kept in balance. They are economics, health, control and access. The evidence presented at the hearings convinced the panel that shifting policy in favour of any one of these issues would create imbalanced policy to the detriment of those who are to be served by the policy — all British Columbians.

As well, there is no escaping the fact that British Columbians consume more liquor, measured as absolute alcohol, than those in any other province and more than those in all but ten jurisdictions in the United States.

Thus, the recommendations in the report are aimed at improving efforts directed at prevention and treatment of problems associated with alcohol abuse as well as improving the retail environment to the benefit of consumers, retailers, producers and suppliers as well as licensees. I believe our recommendations offer a balance between control of beverage alcohol and access to it.

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John Jansen, MLA
Chairman

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## PANEL

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Larry Chalmers, MLA, Okanagan South

Jim Hewitt, MLA, Boundary - Similkameen

## REVIEW STAFF

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Liquor Distribution Branch (LDB)

Bert Hick - General Manager,
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# I
# INTRODUCTORY COMMENTS

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The last major public review of liquor was a 1969 Royal Commission conducted by Mr. Justice Charles William Morrow. Given the changing public attitudes, as well as occasional controversy over liquor policies, it was thought appropriate to again consider these issues through a major public policy review.

On February 26, 1987, Finance and Corporate Relations Minister Mel Couvelier, under whose jurisdiction the Liquor Distribution Branch falls, and Labour and Consumer Services Minister Lyall Hanson, whose responsibilities include the Liquor Control and Licensing Branch, announced the Liquor Policy Review. The mandate was to consider all aspects of liquor policy including licensing, control, and distribution.

The chairman, in a separate process, reviewed liquor pricing policies at the end of February, 1987. Because pricing is an integral part of liquor policy, the liquor pricing review has been incorporated into this report.

An invitation was issued to all British Columbians to participate in this policy review. Almost 10,000 information kits and discussion papers were released to assist the public prepare briefs and submissions. The discussion paper addressed such issues as the nature and type of liquor licenses, hours of operation of licensed premises, the nature of liquor advertising and the role municipalities could play in the liquor licensing process. It also asked British Columbians to consider whether there should be further privatization of liquor retailing and, if so, in what form.

British Columbians already accepted the invitation. Almost 400 briefs and submissions were presented at public hearings held in 16 communities throughout the province. In addition, over 1200 letters and written submissions as well as over 400 signatures on petitions were sent to the committee.

In keeping with the complexity of liquor policies, many diverse views were expressed on virtually every aspect of liquor policy. Given that there was no clear consensus, it was, therefore, incumbent upon the committee to consider all viewpoints and choose alternatives that represent the wishes of the majority and that lead British Columbia on a positive, responsible path. Not everyone will be happy with each of the recommendations. To achieve universal accord would have been impossible. There were some hard choices to make but, in every instance, we were guided by our responsibility to the citizens of our province.

In preparing for this review, we had the opportunity to review a number of licensing models as well as public and private liquor retailing programs. Elected representatives and liquor authorities in Ontario, Quebec, Alberta, Washington, Oregon, California and Iowa generously shared their experiences and thoughts. We are thankful for their assistance.

We wish to express our sincere thanks to all the staff who assisted us throughout this review. Their planning, research and support were essential to completing the task before us. We are particularly indebted to Bob Wallace, General Manager of the Liquor Distribution Branch, and Bert Hick, General Manager of the Liquor Control and Licensing Branch, who joined us on the panel, ensured that whatever information we requested was made available and offered invaluable assistance throughout the review. We also wish to specially thank Peter Choate, Director of Communications at the LDB for planning the public hearings and ensuring the media, the public, the industry, and other interest groups were kept informed and able to participate.

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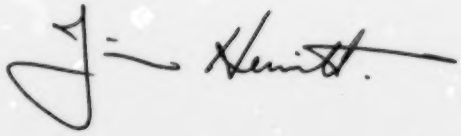

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# 1. The Context of Liquor Regulation in British Columbia

Alcohol came to North America with the European settlers and has played a significant role ever since.

The passage of the Canada Temperance Act in 1917, moved Canada into a period of prohibition.

In October 1920 the government proposed an alternative to the voters: continue prohibition or legalize liquor sales in government stores. The public chose government control, which resulted in the Government Liquor Act of 1921. While recognizing the revenue potential of public sales, the legislators hoped that government control would be an acceptable compromise between the "wets" and "drys", and would also encourage moderation. The initial solution included a ban on all public drinking, coupled with high prices on beverage alcohol through government stores.

By the early 1970's Canadians across the country were seeking liberalized liquor control and consumption regulations. Neighbourhood pubs were allowed in British Columbia. In the mid-1970's government segregated the revenue function (Liquor Distribution) from the licensing function (Liquor Control and Licensing).

## The Liquor Distribution Branch

The Liquor Distribution Branch was given responsibility for operating the retail store system. The province has been the dominant force in liquor retailing since it opened its first store in June 1921, although there has recently been a gradual shift away from an absolute monopoly.

Today, there are 216 liquor stores and three distribution centres operated by the branch. There are also 119 privately operated rural agency stores which, in addition to selling their regular merchandise, offer a limited product line in rural communities where it would not be profitable for the branch to open a store.

Beginning in 1977, the wineries, breweries and distilleries were permitted to operate stores for the sale of their own products at their production site. There are 21 of these stores.

Under a 1985 government initiative, British Columbia estate and commercial wineries were permitted to operate stores away from their production sites for the sale of their own products. As of March 31, 1987 there were 23 appointments held by the wineries for such stores.

Under the same government initiative, neighbourhood and marine pubs and hotels with off-sale privileges were allowed to open stores for the sale of British Columbia-produced beer, cider, wine and coolers. There are now over 79 of these "licensee retail stores" (LRS).

The Liquor Distribution Branch manages its own stores and regulates the operation of the agency stores in accordance with four major business goals:

1. to provide levels of service which satisfy the needs of the customer;
2. to optimize Branch profit as part of the mandate to generate revenue as budgeted by government;
3. to provide suppliers with a controlled access to the marketplace on a fair basis;
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The branch offers its customers over 2,500 products from approximately 40 countries.

There are over 3,300 people employed by the branch, of which 1,869 are employed on a regular, full time basis. The remainder are auxiliary employees.

A profit of approximately $425 million, plus $54.2 million social services tax was generated in the fiscal year ending March 31, 1987 on sales of $1.2 billion. Details of the operating costs, costs of merchandise and profit as a percentage of retail sales are included in Table 1.

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The primary purpose of the licensing process is to maximize economic and social benefits to the community while minimizing the social cost associated with the public consumption of liquor.

The branch has five main responsibilities:

1. issuing and transferring licences for the sale of liquor;
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5. taking appropriate disciplinary action against licensees for contraventions of the LIQUOR CONTROL AND LICENSING ACT.

The branch has a regulatory function but must remain responsive and progressive in the administration of its legislated mandate.

The branch generated $17.8 million from licence fees in the fiscal year ending March 31, 1987.

There has been a shift to a more liberalized control policy, not only in B.C. but throughout North America. That shift is most evident in the following three areas:

1. **Availability** - Since the 1960's there has been an incremental change to easier access. The tendency to extend the times, places and contexts within which drinking is legal has caused the progressive elimination of restrictions on access. Changes have included micro-breweries, brew-pubs, and the opening of licensee retail stores.
2. **Drinking Age** - Between 1970 and 1972 all provinces and territories reduced their drinking age limits from 21 to either 18 or 19.
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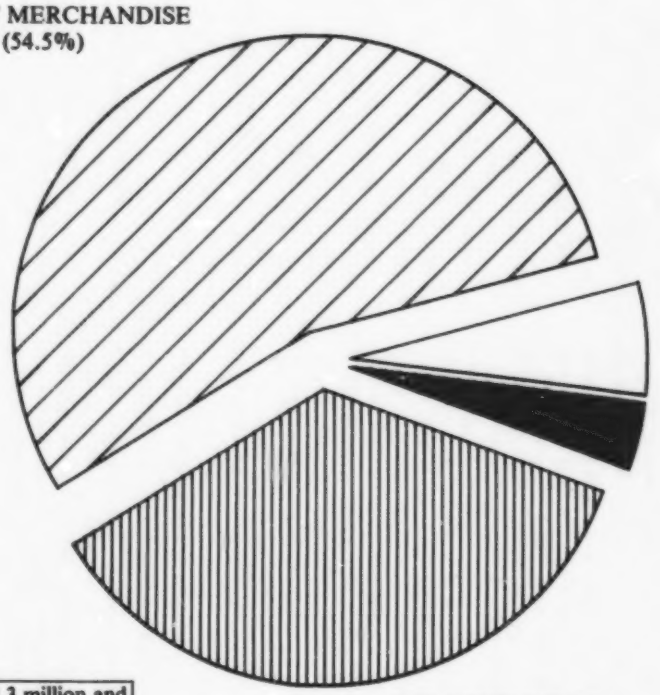


Notes: Based upon total L.D.B. sales of $1,188.3 million and other income of $2.9 million. Cost of merchandise includes wholesale cost, domestic charges, federal duties and taxes.

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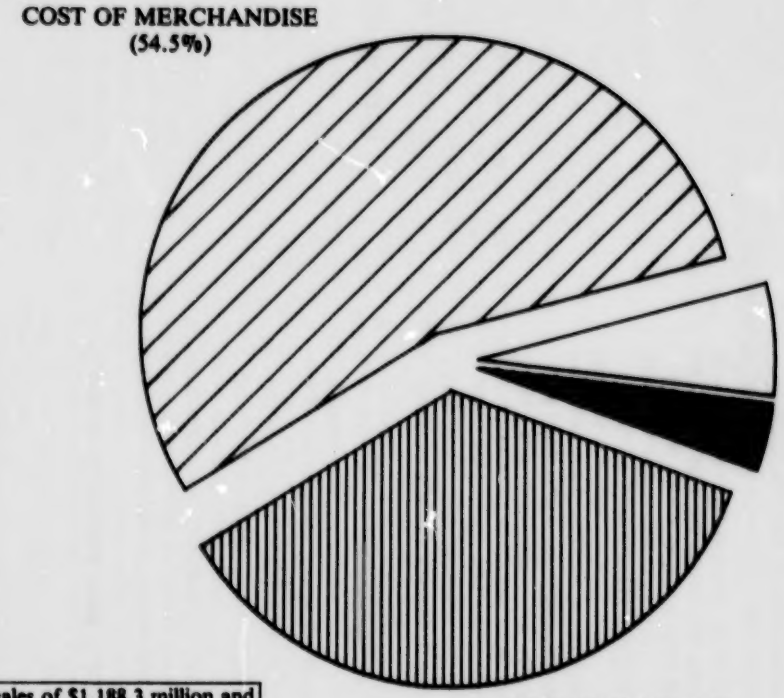


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# II
# EXECUTIVE SUMMARY

# LIQUOR POLICY REVIEW

The Liquor Policy Review was established to examine all aspects of liquor control, licensing, distribution and retailing policies. The review included consideration of almost 400 presentations during 16 days of public hearings throughout the province, the over 1200 letters and written submissions along with numerous signed petitions.

Our policy recommendations are made having first considered the nature of the substance we are dealing with -alcohol.

Following an extensive review of information received through submissions as well as background work done for the committee, we are satisfied that public policy must address the difficult reality that there is a substantial cost to society from alcohol abuse.

We believe that preventative education will, in the long run, pay us the greatest dividends. Through educative activities, moderation, responsibility and even abstinence for some, will become more than just slogans. But this requires a well-funded commitment by government. We have made several recommendations in both education and the other priority area, treatment. Despite some excellent programs run by very dedicated staff, there is clearly a significant need for more programs to aid the victims of alcohol abuse.

The majority of British Columbians told us there is sufficient access to beverage alcohol already. Indeed, we were told time and again the present retail system works very well, although some moderate improvements could be made. Therefore, we have recommended the current liquor retailing system, being a blend of both the private and public sectors, be maintained, with some modifications. These include expansion of the product lines available through licensee retail stores, a new wine store model and changes to LDB stores that will provide better customer service and convenience.

Turning to licensing policy, we notice a trend towards more licensed seats than some communities, based on their population, can support. We have recommended the LCLB pay closer attention to this as well as economic trends and enforcement capabilities in a community. Over-licensing hurts the economic viability of licensees and can, in an attempt to keep the business going, lead to overly aggressive selling which in turn, aggravates the social and human costs to our society.

Equally, we believe licensees should be subject to more rigorous enforcement to ensure standards are met and that the licensee operates in accordance with the nature, type and intent of licence held. This will be much easier for both the LCLB and the licensees if, as we have recommended, the rules, guidelines and policies of the LCLB are codified and made available to any interested party.

Significant changes do not appear to be needed to either the number of licence categories or their natures. We have made some recommendations, however, to deal with concerns regarding food service, seating and off-premise sales. We have also recommended the "G" licences be cancelled as scheduled on September 30, 1987.

Possession of alcohol by minors is an issue we felt needed to be specifically addressed by increased enforcement, including penalties, particularly to those who illegally supply liquor to minors.

Indeed, we feel enforcement generally needs to be stepped up with some stronger penalties in certain areas as well as full application of existing penalties.

Some specific areas of enforcement that we feel require different approaches include bootlegging; certain forms of adult entertainment and knives in licensed establishments; and possibly, preparations containing alcohol which are being used as alcoholic beverages despite their stated purpose for medicinal, cooking and other uses.

British Columbia has made significant strides in resolving problems with drinking and driving. However, for the repeat offender and those who cause serious injury or death, we feel there is even more to be done and make specific recommendations in that regard. For example, we explored creating a new category of probationary licence that would require zero-blood alcohol levels for probationary drivers.

Because youth appear to be so heavily represented in the drinking and driving problem; we were urged to increase the drinking age to 21. After a thorough review, however, we concluded that the research is inconclusive regarding a possible reduction of alcohol-related problems and that increasing the age limits would be unfair to non-offending young people — and possibly unconstitutional under the CHARTER OF RIGHTS AND FREEDOMS. Consequently we recommend maintaining the legal drinking age at 19.

We were convinced by the numerous submissions from municipal and local governments that they should be more directly involved and consulted in licensing.

Similarly, we have recommended that the responsibility for approving Special Occasion Licenses (SOLs) should be delegated to municipalities or other local governments. Prince George currently provides an effective model in its annual review of all public function SOL applications.

Finally, in response to public confusion and industry criticism, and to create a consistent and unified approach to ministerial direction, we have recommended bringing the two liquor branches under one minister and creating a five-member provincial liquor board to oversee the related but distinct Liquor Distribution and Liquor Control and Licensing Branches. The respective general managers would each report to the board chairman, who would in turn report to the minister assigned responsibility for the board.

Note: The present reviews incorporated MLA John Jansen's separate, early-1987 review of liquor pricing policies.

# III
# SUMMARY OF SUBMISSIONS

Approximately 1,600 written and oral submissions were received by the liquor policy review committee. There were also about 400 signatures on various petitions received. It is apparent that the people of British Columbia took a great interest in the review process and provided well researched and documented submissions that were invaluable to the committee's considerations.

There were many issues raised with respect to liquor regulation throughout the public consultation process. The majority of the submissions dealt with privatization, or increased accessibility on some level. Also prevalent were the issues of public education, fairness and consistency in dealing with present and potential licensees; increased enforcement of liquor-related violations; and the drinking age.

In the following summary, the submissions are divided into 12 categories by interest groups; submissions from private citizens are grouped into the twelfth category. The large number of submissions and the scope of comments made require that this summary be but an overview of what we have heard and read in conducting this major review of liquor policy.

## 1. Hospitality Industry

Approximately 60 written and oral presentations were made by members, and representatives of members, of the hospitality industry.

Associations representing each class of licence were heard from; they include the B.C. and Yukon Hotels' Association, the B.C. Cabaret Owners' Association, the Neighbourhood Pub Owners' Association of B.C., the Restaurant and Foodservices Association of B.C., and the Hospitality Industry Liquor Licensing Advisory Committee (H.I.L.L.A.C.). In addition, many individual licensees made submissions on their own behalf.

The majority of these submissions were opposed to allowing the sale of liquor in grocery stores. Many felt the provincial government should retain control over licensing and distribution.

A number of submissions proposed that a clearly written set of rules and guidelines in the form of a policy manual be published concerning the exercise of licensing control, so that licensees could be aware of the requirements. They felt that greater consistency in decision making could then be attained.

The issue of enforcement was often raised. Many licensees felt that there should be stricter and more consistent enforcement for licence infractions. They also felt that the legal drinking age should remain at 19. In their view, there should be harsher penalties for minors who contravene liquor regulations, and that the penalties to the minors and the licensees should reflect the degree of each party's fault.

A call for mandatory server education and licensee training programs was frequently heard. We were told the program could eliminate much of the concern around civil liability by teaching licensees and servers about their duties and responsibilities.

Many members of the hospitality industry felt that availability of licences should be limited. Some suggested that a formula, based on population and location, be used to determine whether a licence should be issued in a particular area.

Similarly, a great deal of concern was expressed with regard to the number of special occasion licences (SOLs). These are seen as events which are difficult to control from an enforcement standpoint and as a cause of declining business for licensees as well as being too easy to obtain. Licensees wanted more restrictions on who may obtain a SOL.

A number of presentors proposed establishing an independent board to hold public hearings for licence applications and appeals.

There was some consensus that the 5 percent fee for licensee's purchases should be eliminated. Many licensees requested further that they be allowed to buy liquor at a discount.

The individual interests of licensees and others in the hospitality industry were reflected in the diversity of the submissions by the different licensee classifications. Restaurant licensees were very much in favour of allowing the service of liquor without the service of food; hotel and pub licensees, on the other hand, did not see this as desirable. Both cabarets and neighbourhood pubs would like to have seating increased only within their own establishments and not other licence classes.

Cabaret owners also were in favour of extending hours and obtaining off-sale privileges.

## 2. Domestic Beverage Alcohol Producers

This category can be divided into three sub-groups: distilleries, wine producers and breweries. We will deal with each in turn.

The Association of Canadian Distillers felt that regardless of the stance taken on privatization, all beverage alcohol manufacturers should be treated equally in the areas of advertising, distribution and licences. The main issue for them, as echoed in individual submissions from Hiram Walker and Seagrams, is one of fairness: there should be no differentiation because of the type of beverage alcohol which is produced. It was also recommended that the LDB suspend its bottling operations.

Most wine producers who made submissions were to some degree in favour of privatization. The Retail Wine Committee of B.C., which represents most of the wineries and participating food retailers, advocated the sale of B.C. table wine in grocery stores. It was also suggested that a portion of retail wine newspaper advertising be applied to increasing the public's awareness of liquor laws, alcohol abuse and the consequences of drinking and driving.

The Wine Council of B.C. submitted that the preferential markup and treatment of B.C. table wines should be maintained, a view with which domestic wine producers concurred. The Council suggested that the conditions for the issuance of a winery licence be reviewed. As well, we were told that a firm set of rules should be established with regard to estate wineries.

A submission made jointly by Carling O'Keefe, Labatt's, Molson's and Pacific Brewers Distributors asked for equitable treatment in retailing, costing and pricing of import and domestic beer.

Molson's was of the opinion that youth-oriented sponsorship should be allowed within guidelines and that there should be no prohibition of association between

breweries and professionally sanctioned motor sports.

The breweries who made submissions were not in favour of complete privatization, feeling the present system was acceptable. Should wine be made available in food stores, however, they felt their beer should also be made available.

The regional and cottage brewers suggest that they be allowed to establish independent beer stores, somewhat like those set up by wineries. They also feel that the B.C. producers should be given exclusive exposure in the licensee retail stores.

## 3. Importers

The importers who made submissions all supported some degree of privatization. The Import Vintners and Spirits Association of B.C. advocated the total privatization of liquor sales with the government retaining control over retailing licences. They suggested that the B.C. wine industry should be self-supporting and that government support should be phased out.

The Beer Importers Association of B.C. maintained that an open market with the unrestricted private sale of imported beer would eliminate the inequities which currently do not allow freedom of choice for consumers.

## 4. Public Health and Social Services Agencies

The committee heard from over 20 groups and agencies concerned with drug and alcohol abuse and its social and health effects. Included in this category were the Kaiser Substance Abuse Foundation, the Kamloops Phoenix Centre, and Alcohol and Drug Education Services. All groups or agencies supported tighter controls on alcohol. They advised that the scope of the problems with alcohol extend beyond the problem drinker to his family, friends, relatives and employers. These effects can be seen in family violence, sexual abuse, physical abuse, property damage, and industrial accidents and time loss.

These groups did not support the sale of alcohol in food stores and asked for the legal drinking age to be raised to 21. They felt that control over the sale and distribution of alcohol should remain in the hands of the provincial government. At the same time, they suggested that there be increased government funding for community-based programs dealing with social and health problems arising from alcohol abuse. Also noted was a need for more treatment resources for adolescents.

Education was a major focus of the submissions in this category. Server education was touched upon; however, the majority of groups advocated more general programs aimed at the public and at schools. These groups felt that "lifestyle" advertising should be banned or, at least, equal time should be allotted for health promotion advertising to educate the public. Schools were also targetted for alcohol education; a compulsory program in the schools was proposed on numerous occasions.

Groups proposed that these treatment and education initiatives could be funded by transferring funds from alcohol revenue, by taxing the industry or by taxing the consumer.

We were advised that there should be greater coordination of government programs and policies pertaining to alcohol, and that any changes in policy should be undertaken only after extensive, detailed research into the possible effects of such changes.

The B.C. Medical Association suggested that advertising include warnings regarding the effects of drinking while pregnant, and that a fetal-alcohol-syndrome resource centre be established.

## 5. Municipalities / Regional Authorities

This category includes submissions from over 60 sources. The major issues canvassed were those of privatization and local government input into decision making.

There was general agreement that the provincial government should retain control over liquor sales and that there should not be any privatization. If, however, the latter route was chosen, the local governments requested a form of financial assistance for the anticipated increases in enforcement and policing costs. Regardless of any change in policy, enforcement efforts should be improved and an increase in the number of liquor inspectors would enhance the quality thereof. As well, harsher penalties for alcohol-related offences was called for.

Groups urged that sound, consistent policy on alcohol be developed and that there be a moratorium on liberalization until this policy was developed and in place. The overriding concern of such an exercise should be that alcohol is a drug.

For the most part, regional authorities expressed a desire for some input in such areas as: zoning/LDB locations; hours of operation; licence issuance and application processing; and special occasion licences. Authorities recommended allowing the municipal/regional authority to opt into the licensing and regulation process, thus permitting the local community to have an opportunity to present its views before the decision was already made.

We were urged to establish a program in which an established proportion of revenue derived from liquor sales be set aside for an alcohol education program, and that there be an increase in provincial funding for alcohol abuse education and treatment.

## 6. Law Enforcement Agencies

The committee heard from eight different regional police forces as well as from the RCMP.

The submissions identified increased criminal activity as being associated with the increased alcohol consumption which they felt would accompany privatization or liberalization of liquor sales. Therefore, the majority of contributors in this category suggested that the provincial government should retain control over licensing, regulation and retailing of alcohol. They proposed that, in the event of a move toward liberalization, corresponding support must be provided for police services since there would be an increased need for inspection and enforcement.

There was a call to educate young people to drink responsibly. As well, police forces suggested that the

municipality be given authority over: the location of specialty shops, hours of operation, minimum standards for exterior and interior design and associated health standards.

## 7. Unions

Twelve separate unions presented submissions to the committee.

The BCGEU proposals basically incorporated the issues which were canvassed by the other unions. It registered opposition to extending sales and distribution systems beyond the present mix of private and public enterprise. Instead, unions suggested that any needs for greater service could be met by modifications within the system such as: expansion of hours, in-store improvements, LDB specialty stores and improved LDB employee training.

Unions recommended that a more effective system of identifying minors be developed, and that stiffer penalties for the use or manufacture of false identification should be imposed.

The Brewery, Winery and Distillery Workers, Local 300, felt that there was unfair taxation with regard to the distilled spirits industry.

## 8. Religious Organizations

Thirty-two religious organizations and churches responded to the liquor policy review. They repeatedly expressed their opposition to privatization and the sale of liquor in food stores. Indeed, they urged that, if there is not to be a decrease in the number of licences, there at least should be a moratorium placed on their issue.

Many of the religious organizations spoke out against "lifestyle" advertising and suggested that the advertising of liquor should be restricted or even banned. They called for education programs for the community and the schools, additional treatment and prevention resources, stricter penalties and enforcement, and the discontinuance of Sunday openings. Raising the drinking age to 21 years also received strong support from this category.

## 9. Native Groups

We heard from 13 representatives including bands, councils and native community centres.

Overwhelmingly, these groups asked for less availability of alcohol. They requested restricted hours, restricted advertising, a ban on Sunday opening and a moratorium on licence issuance. Native groups also expressed disapproval of privatization of liquor sales, stating that the resulting increase in availability would have an adverse effect on the Native community.

Many bands and councils requested that the LCLB consult with them regarding licence applications in areas with a high Native population and that they be allowed substantial input about such applications.

The LDB was asked to consult on proposed openings of rural agency stores. Specific examples of problems were identified where that consultation had not taken place.

Another suggestion was to earmark a specific proportion of revenue from sales of alcohol to assist in dealing with alcohol abuse by Natives. Other specific recommendations included allowing Native communities to regulate supply and availability in their area, prohibiting fly-in orders and regulating the availability of "bitters" in food stores.

## 10. Citizen's Groups

This category represents mainly those groups concerned with alcohol and its social costs. There were 14 submitters in this area, including End Legislated Poverty, the Downtown Eastside Residents' Association, Mothers Against Drunk Driving (M.A.D.D.) and representatives from school districts.

These groups generally spoke out against the privatization of liquor sales, maintaining that the provincial government should have full control over sales and distribution. A major theme running through proposals made by citizens' groups was that policies should not be implemented unless they would reduce health and social problems. Thus, many of the groups proposed the increased funding of education programs which would teach people to make responsible choices.

There was emphasis, as well, upon increased surveillance and enforcement, with M.A.D.D. calling for the harsh treatment of all offenders, regardless of their age or number of offences. The suggestion was made that more inspectors would help in reducing infractions.

Several groups proposed that there be warning labels put on alcoholic drinks. As well, "lifestyle" advertising was condemned. Many said that alcohol advertising should be banned or restricted.

Much concern was expressed regarding how accessible alcohol was to teenagers. This was reflected in the strong support for raising the drinking age to 21 years. It was also urged, by the Victoria Parent Support Group, that a residential treatment program for teenagers be established.

## 11. Other Groups and Special Interest Groups

There were approximately 35 other organized groups which made submissions to the committee. Most of these were in regard to related commercial interests or specific requests made by a licensee.

ICBC stressed that alcohol should not be made more available. If, however, the government were to allow for the privatization of liquor sales, the insurance company suggested that liquor outlets should be closely regulated. ICBC also emphasized that strict controls with regard to minors should be established and enforced.

About two-thirds of the groups in this category spoke on specific licensing or permit concerns. They canvassed such issues as allowing the sale of beer and/or wine in service-station grocery stores, general privatization, eliminating the restriction on the number of special occasion licences, extending a licensed area, the licensing

of movie theatres, and having a licence category for family recreation.

The Association of B.C. Grape Growers, among others, indicated support for the current preferential treatment of B.C. wines as well as for the sale of B.C. table wine in grocery stores.

There were several submissions from advertising agencies. In particular, there was a request to allow transit advertising as a medium for liquor advertising. A major concern was that there be fairness and consistency in the treatment of all forms of liquor advertising.

## 12. Members of the Public

This category includes private individuals who made their views known through presentations made to the committee, letters written in response to newspaper ads, individually and mass-submitted form letters, as well as signatures on petitions. An attempt was made to include everyone who expressed an opinion.

There were over 1000 submissions in this category. Nearly all of them expressed some view on the privatization issue. Approximately two-thirds of these people said they would not like to see the sale and distribution of liquor privatized — that the status quo should be maintained. The rest indicated that privatization in some form should occur but there was not a general consensus about who should be selling liquor.

An increase in the availability of liquor was not supported by most of those who commented upon it; however, some indicated a desire to see a wider product selection. The issue of Sunday openings was raised.

On the issue of advertising, it was proposed that liquor ads should be banned or restricted, and that liquor products should bear label warnings, much like those on cigarettes.

Persons dealing with the taxing of liquor generally felt tht this tax should be maintained or increased. As well, there was a majority of such submitters in favour of eliminating the preferred markups on B.C. liquor products and providing discounts for licensee purchasers.

Many B.C. citizens suggest there are enough liquor licences. Some would like the regulations governing liquor sale and distribution strengthened and clarified, to provide some stability and consistency in their application. Support was indicated for tougher penalties and enforcement of liquor violations, both to licensees and minors.

The suggestion was made that an increase in the number of liquor inspectors would be helpful in achieving better enforcement. It was suggested there should be strict regulation on the sale of cooking wines, bitters, and low-alcohol beverages in stores; these products, some felt, would be better handled by the LDB.

Education programs received a good deal of support, with three categories proposed: server education, a program for the schools, and one which would be directed at the general public. Several people mentioned that further research should be conducted to determine the content of such programs and the impact of any policy changes. As well, prevention, early intervention, and treatment programs were seen as beneficial and expansion was recommended.

Those who commented on the licensing authority generally felt that the provincial government was the proper body to perform this function. Some suggested that an independent body be appointed to control the application process as well as to conduct hearings and appeals. A number of people said there should be some authority vested in the local municipal authority with regard to, for example, hours of operation or location; an equal number, however, wanted to see the municipality excluded from such exercise of power.

Several people supported the sale of liquor without the sale of food in restaurants. In contrast, it was also suggested that "holding areas" in restaurants be discontinued.

The overwhelming majority of the people who dealt with the issue of the legal drinking age advocated an increase to the age of 21. No one indicated that it should be lowered to less than 19.

# IV
# SUMMARY OF RECOMMENDATIONS

# RECOMMENDATIONS

## Public Education

1. The Ministry of Health, through Alcohol and Drug Programs, coordinate with appropriate funding the long-term development of alcohol education programs, relying on the expertise of existing organizations and community-based groups, who should also serve as the prime vehicles for developing these expanded education initiatives.
2. That all segments of the alcohol industry in British Columbia, including the LDB/LCLB, should substantially commit themselves to participation and funding of programs to promote moderate and responsible consumption for those who wish to drink alcoholic beverages.

## Primary, Secondary and Post-secondary School Education

3. The Ministry of Education make substance abuse education mandatory in its new health curriculum for kindergarten to Grade 12.
4. The Ministry of Advanced Education and Job Training introduce alcohol education as an elective in all technical schools, community colleges and universities, and that it be mandatory in schools for the medical, nursing, teaching, law, social work, and police professions and business management.
5. The Ministries of Education, Health, and Advanced Education and Job Training should work together to determine how best to coordinate the initiatives of federal, provincial, municipal, and local community-based groups in developing and promoting alcohol education in schools, colleges and universities.
6. For alcohol education to be effective in our schools, teacher training is essential to effect extensive and consistent education and to achieve commitment to the program.

## Licensee and Server Education

7. Comprehensive server and licensee education programs should be developed and administered by the Liquor Control and Licensing Branch. This program should be legislated by amendment to the LIQUOR CONTROL AND LICENSING ACT and would be mandatory for all licensees and servers of alcoholic beverages, including retailers, in British Columbia. The program should be delivered at the local level using, for example, community colleges.
8. Potential licensees and beverage alcohol servers must obtain training as a condition of licence approval or employment. Current licensees and servers must obtain such training with time frames to be established by the LCLB in order to maintain their licence or employment.
9. All licensed establishments should be encouraged to make available, on public display, alcohol education literature as provided by health and social service agencies.
10. Designated driver programs should be encouraged. It is hoped the alcohol industry will be financial sponsors.

## Treatment

11. Since further funds are needed for alcohol education, prevention and treatment throughout British Columbia, these funds should be raised through the sale of beverage alcohol. They would be earmarked for alcohol-abuse programs and be additional to funds already committed to the program areas. Prime consideration should go to high risk groups. The ministries involved in delivery of these programs should be able to access these funds.
12. The Ministry of Health should give priority attention to expanding and developing further treatment resources for youth.

## Government Dilemma: Social Costs vs. Economic Benefits

13. There should be created a coordinating group of senior program staff from all ministries concerned, including Treasury Board staff, which would report to the Social Policy Committee of Cabinet on all alcohol policies with the potential for a significant economic/health and social services impact.
14. Government should strive to provide an optimal level of alcohol education, prevention and treatment services and programs. As a major step towards this goal, we have recommended additional funds be provided for these purposes.

## Privatization

15. The current system of liquor retailing, with modification, should be maintained and beverage alcohol should not be retailed in food, drug, department or general merchandise stores beyond the existing rural agency store program.

## Licensee Retail Stores

16. Import beer, import wine and all cooler products should be available for sale in licensee retail stores. It is recognized that the government must give careful consideration to this and other recommendations in the report in light of the negotiations currently underway between Canada and its trading partners.
17. The discount on products to LRS operators should be 10 percent. Additionally, all products except domestic commercial beer may be obtained by the LRS from a designated LDB liquor store.
18. "Drive-thru" outlets currently in existence at licensee retail stores should be closed and no future LRSs should have such facilities.
19. The LCLB should develop minimum operating standards and a strict inspection and enforcement program for LRSs.
20. There should be a separate licence class for licensee retail stores. The licence would require prior municipal or local government approval.

## Winery Stores

21. A new model for privately owned wine shops should be designed. It should replace the existing producer-operated

model and provide an opportunity for new operators to get into the wine retail business. The shops should sell domestic wines and may also offer import wines and be permitted and encouraged to sell products not presently available in LDB stores. The appropriate discount rate should be 15 percent.

22. Existing off-site winery stores located in other businesses should be phased out. Existing freestanding stores should be converted to the new model and new investors should be invited to apply for rights to operate wine stores.

23. Further to recommendation 15, beverage alcohol should not be sold in drug stores. The existing retail store should be phased out.

## Rural Agency Stores

24. The Liquor Distribution Branch should make reasonable efforts to advise residents that a rural agency store may be opening in their community by way of notices in the applicant's store and advertisements in the appropriate local newspapers. This will allow interested parties — including residents, local governments, interest groups, populations at risk and any others — an opportunity to make their feelings known before a decision is made on whether a rural agency store should be opened. The LDB should also consider the other liquor outlets already in the community as well as the distance to the nearest liquor or rural agency store.

25. The commission paid to rural agency store operators should continue to be 10 percent.

## Modifying the Liquor Distribution Branch

26. The LDB should introduce a full-uniform program for store employees.

27. The LDB should enhance its customer relations program for all staff in such areas as product knowledge and customer service.

28. Consistent with greater emphasis on customer relations more product knowledge and information material should be made available to customers.

29. An expanded in-store product tasting program, which would include premium wines, should be implemented.

30. The LDB should continue with its objective to bring stores up to modern retailing standards through renovation or replacement.

31. The LDB should generally match the store hours of the retail community it operates within, but Sunday openings are not recommended.

32. Low alcohol beer, cider and cooler (1 - 3 percent alcohol/volume) should be more available at reasonable prices. To achieve this it is recommended that the LDB pricing system be adjusted and suppliers be encouraged to offer such low alcohol products at prices below regular prices.

33. The LDB should achieve greater product selection, particularly wine selection.

34. The markup on table wine should be 110 percent on the landed cost up to $6.40 per 750 ml. and 25 percent markup on that portion of the landed costs exceeding $6.40 per 750 ml. This would reduce the price of table wines currently retailing for greater than $15.

35. Government policy should be changed to allow the importation of draft beer.

36. Brewpubs should be able to package their own production for "off-sale" to the general public at their own site. Normal LDB listing and markup procedures will apply and package size should be limited to a maximum of 20 litres.

37. The markup for all domestic spirit based coolers should be 60 percent of landed cost.

## Licensing and Control

38. To assist in the administration, licensing and enforcement of liquor laws, the LCLB should continue to develop and publish concise policies and procedures.

39. To pay for the additional costs of administration and enforcement, there should be a review of existing fees and the implementation of new fees where required.

40. The branch should take into consideration population trends, community needs and enforcement capabilities within the community in determining if a new liquor licence should be issued.

41. The LCLB should act to ensure that licensees operating below acceptable minimum standards renovate or improve their premises or risk facing suspension or cancellation of their liquor licence.

42. All licensed establishments such as neighbourhood and hotel pubs and cabarets should be required to have food available.

43. Restaurants should continue to be required to serve food with drinks, except for special occasions approved by the general manager of the LCLB.

44. To ensure an appropriate balance between liquor and food sales a 60/40 food-to-liquor ratio should be established for restaurants, and stronger measures should be taken against restauranteurs who are operating pseudo-pubs.

45. Liquor should not be sold at a price below the cost of the product to the licensee and the LCLB should maintain its regulatory control over the manner in which licensees may advertise including the prohibition regarding prices, competitions, give-aways and promotions.

46. Cabaret capacity should be increased to a maximum of 350 persons except for special events with prior approval of the LCLB when capacity may rise to the Fire Commissioner's maximum. Earlier openings may be permitted for limited special events.

47. The first 20 seats of approved patio seating at neighbourhood pubs, marine pubs and class A licensees should not continue to effect allowable seating indoors. Use of patio seating beyond the 20 seats would continue to affect allowable indoor seating.

48. The "G" licence category was introduced for Expo '86 and should be eliminated. All "G" licences should be cancelled as of September 30, 1987.

49. All licensee sales of product for off-premise consumption should be restricted to an 11:00 p.m. closing province-wide.

50. Qualified licensees who are able to sell products for off-

premise consumption should do so through an endorsement on their licence which would be subject to a separate annual fee and subject to administrative sanction if abused.

51. The LCLB should study the issue of non-conforming hotels to determine if they should continue to qualify for licensing as a hotel.

52. The LCLB should be granted the authority to issue qualified licences for conditional circumstances to cover situations such as hunting and fishing camps.

## Possession of Alcohol By Minors

53. To further increase the level and scope of enforcement, the committee recommends that the OFFENCE ACT regulations be amended to designate both liquor licensing inspectors and approved liquor distribution staff as enforcement officers.

54. Section 36(3) of the LIQUOR CONTROL AND LICENSING ACT should be amended to provide for a minimum fine of $100 for a minor unlawfully in possession of liquor.

55. Stricter and more effective enforcement action should be taken against licensees who serve liquor to minors, or permit minors in licensed premises.

56. It should be an offence under section 68 of the MOTOR VEHICLE ACT to falsify to B.C. Identity Cards.

57. Section 35 of the LIQUOR CONTROL AND LICENSING ACT should be amended to provide for a substantial minimum penalty for supplying liquor to minors.

## Enforcement

58. The LCLB should fully apply the existing penalties to licensees found serving intoxicated patrons, serving minors or committing other offences.

59. The LCLB should be provided with more inspectors. An option which should be explored is the training of LDB personnel in remote areas to assist the LCLB in its licensing and enforcement duties.

60. To enhance enforcement, there should be more formal training on liquor laws for all police officers.

61. The LCLB should retain its suspension and cancellation power but also introduce an administrative fine system that will enable the branch to issue fines for of the violations of the Act.

62. To ensure participation by interested persons, enforcement hearings should be announced to achieve good public awareness.

63. When a licence is suspended, a notice should be publicly displayed outside the affected premise so that the public will be aware of why the establishment has been closed.

64. More communities should consider establishing liaison committees such as the Hospitality Industry Liquor Licence Advisory Committee (HILLAC).

65. Liquor delivery service firms and caterers should be licensed by the LCLB to operate under specific rules. Serious or continued violations of those rules should lead to licence suspension or cancellation. Caterers should be able to store liquor overnight.

66. The penalty for bootlegging should be increased substantially and should include, upon charging, the possible impoundment of a vehicle involved, and, upon conviction, the forfeiture of the vehicle to the Crown.

## Entertainment in Licensed Establishments

67. Limitations should be placed on such forms of entertainment as stripping, exotic dancing and XXX-rated movies in licensed establishments.

68. Municipalities should be made aware of their power to restrict or prohibit any or all types of entertainment in licensed establishments under seciton 50 of the LIQUOR CONTROL AND LICENSING ACT.

## Knives in Licensed Establishments

69. The province should continue to request amendments to the CRIMINAL CODE which might better resolve the problems with knives both inside and outside licensed establishments.

70. The LIQUOR CONTROL AND LICENSING ACT should be amended to make the possession of a knife in a licensed establishment an offence, and to prohibit licensees from authorizing or permitting a person whom the licensee knows is carrying a knife to enter or remain in a licensed establishment.

## Advertising

71. The LCLB should continue its regulatory control of beverage alcohol advertising in the electronic media.

72. The LCLB should formulate a stricter interpretation of its advertising standards based upon a philosophy of moderation and responsibility so that "lifestyle" and youth oriented advertising should be further controlled.

73. In addition to the very successful CounterAttack advertisements directed at the problem of drinking and driving, the provincial government should in association with the broadcasting industry address through similar advertising other liquor-related problems.

74. As part of advertisements developed by the provincial government and presented by the broadcasters of British Columbia, the targetted group should be directed to the appropriate ministry or agency for further information or assistance.

75. Beverage alcohol producers and suppliers should dedicate substantially more advertising resources to corporately sponsored public service advertisements. These campaigns should be permitted on billboards, transit shelters and transit vehicles, but product advertising should continue to be prohibited on these media.

## Inducements and Promotions

76. The LCLB should strictly enforce legislation prohibiting the giving and taking of illegal inducements.

77. Beverage alcohol manufacturers should be allowed to sponsor professionally sanctioned motorsport events. The

province should continue to restrict beverage alcohol industry involvement in all activities involving minors particularly sports activities.

## Preparations Containing Alcohol

78. The LCLB should inform the relevant merchants of the problems and the penalties (and obtain their cooperation) regarding the sale of preparations containing alcohol which may be used as alcoholic beverages. It should be made clear that if the privilege of selling these preparations is abused, then the LIQUOR CONTROL AND LICENSING ACT will be strictly enforced. The municipalities and their police forces should also make the commitment to investigate allegations of abuse with a view to laying charges.

79. The section concerning preparations containing alcohol in the LIQUOR CONTROL AND LICENSING ACT should be clarified and offences should be clearly specified, along with a significant minimum penalty, for non-corporate offenders who are selling such preparations to persons who they know or ought to know intend to use the product as an alcoholic beverage.

80. The General Manager of the LCLB should continue to provide directions regarding the sale of unadulterated medicinals to both the importers AND retailers of these products to ensure their continued awareness of the associated problems and penalties.

81. The definition of "liquor" in the LIQUOR CONTROL AND LICENSING ACT should be amended to include drinks which contain any alcohol by volume.

## Drinking and Driving

82. The CounterAttack program should be expanded to include its roadside check campaigns throughout the year.

83. The Cabinet Committee on Traffic Safety should address previously explored areas of enforcement, which may require amendments to the MOTOR VEHICLE ACT or the LIQUOR CONTROL AND LICENSING ACT, regarding:
    a) Suspension of driver's licence by the Superintendent of Motor Vehicles, immediately upon the driver being charged with an impaired driving offence which involved serious injury or death;
    b) Police impoundment of a vehicle, driven by an allegedly impaired driver, for 24 hours, with establishment of an administrative fee charged to the driver to release the vehicle. Impoundment would not preclude the possibility of charges being laid; and
    c) Subject to review by the courts, impoundment of a vehicle driven by a person who has been charged with an impaired driving offence and who either:
        i) has a history of one or more previous impaired driving convictions, or
        ii) causes serious injury or death in the incident which results in the charge.

    Upon conviction, the vehicle might be forfeited to the Crown.

84. The Cabinet Committee on Traffic Safety should consider creating a new category of probationary driver's licence and the creation of a special offence under the MOTOR VEHICLE ACT that would impose a zero-blood alcohol level on probationary drivers.

85. The legal drinking age should remain at 19 years.

## Role of Municipal/Local Government

86. The province should retain control over liquor control and licensing. The role of municipal governments, particularly in respect to new licences, should be strengthened. There should be further consultation between the LCLB and the UBCM to establish a mutually agreeable approach.

87. The LCLB should restrict its consideration of a neighbourhood pub proposal to issues such as the character of the applicant, the location of existing establishments and the proximity to one another. The branch would also set the terms and conditions of operation. The municipalities should be responsible for site location, considering such things as traffic patterns, parking, noise, proximity of schools and playgrounds to the applicant's facilities, as well as municipal zoning within the community and the potential impact it could have on the community. Marine pubs should be subject to the same application and approval process as neighbourhood pubs.

88. Local government should be consulted by the LDB at the earliest possible time regarding siting of new liquor stores.

89. Stores offering supplies, equipment and advice for home manufacturing of beer, wine or cider should continue to be permitted. The intent of the legislation is only to enable "at-home" manufacture of these products. As a result, therefore, the legislation should be more actively enforced.

90. SOLs should no longer be issued for the sale of liquor except to bona fide organizations authorized by the municipality. Ongoing, regularly scheduled events should no longer be eligible for an SOL, rather, they should be held under a regular LCLB licence. Other social events at which alcohol is sold must be held in a licensed establishment, or be served by a licensee who has the appropriate licence endorsement.

91. Licence holders should be able to obtain an endorsement to their existing licence to enable them to serve alcohol at other locations which meet LCLB requirements. This would permit licensees to serve alcohol at events held in unlicensed premises. Thus, all of the LIQUOR CONTROL AND LICENSING ACT will apply. Using licensed servers will introduce more accountability, facilitate control of the event and increase the options available for enforcement.

92. Profits should not be generated using SOL, except for fund raising by bona fide charitable, educational or community service organizations. Charitable purposes are limited to:
    — community service projects;
    — capital projects or acquisitions which will benefit the community as a whole;
    — donations to registered charities.

Other organizations wishing to raise funds will be able to hold their event in a licensed establishment without an SOL.

93. SOLs should still be required for "no sale" public and private functions. Requiring a licence for such events ensures that municipalities and enforcement officials can be informed and can monitor and enforce, if required.

94. The SOL fees should be raised to more closely cover the costs of administration and policing of these functions.

95. The Act should be amended to provide clear authority for the police to immediately revoke an SOL for violations of the terms and conditions of the licence.

96. The authority for approving SOLs should be delegated to municipalities or other appropriate local government.

## Restructuring the Liquor Branches and the Appeal Process

97. Since the Liquor Distribution Branch is responsible for retailing and the Liquor Control and Licensing Branch is responsible for the regulatory function, they have different but nevertheless complimentary functions that should be managed through distinct entities. However, to achieve a balance between the objectives of control and revenue, both branches should have policy direction via one minister.

98. To provide an impartial and continuing administrative direction, fairness in policy formulation and direction and to provide an equitable appeal process, the two branches should report to a newly created liquor board consisting of five members. The chairman and members of the board would be Order-in-Council appointments. The chairman of the board would report to the minister assigned responsibility for the liquor board, and would act as the link between the executive arm of government and the liquor branches.

99. The newly structured liquor board should now hear appeals from "licensing" decisions. Formal appeals from enforcement decisions, restrictions of licences, and the delisting decisions should remain with the Commercial Appeals Commission.

# V
# CONSUMPTION, ACCESS AND SOCIAL PROBLEMS

# 1. THE NATURE OF ALCOHOL

In considering the major policy issues before the committee it is important to understand the nature of alcohol. The Alcohol and Drug Education Service states that, "alcohol is a drug and must be treated as such." Because of its widely accepted use throughout the world, beverage alcohol is often not thought of as a drug. In fact, alcoholic beverages such as beer and wine are often viewed as food products.

At the hearings, members of the medical profession told us that if alcohol were introduced for the first time today, it would be classified as a restricted drug subject to careful control.

Beverage alcohol produces a range of effects on the central nervous system, effects similar to other sedatives. At low and moderate doses, it usually produces a general feeling of well being and mild relaxation of inhibitions. The more that is drunk and the faster it is consumed, the more the drinker will experience greater levels of intoxication characterized by increasing degrees of functional impairment. Greater relaxation of emotional controls under these circumstances may result in actions and attitudes that are socially unacceptable. In very high doses, alcohol is lethal.

The medical profession also noted allied problems of depression, the dangers of alcohol use with prescription drugs and the physical problems that can develop over time.

Health problems become more prevalent with heavy, chronic use. Our society must bear the burden of the result through our health care, social service and judicial systems and at the workplace, not to mention the daily cost to families.

Regular heavy use creates tolerance to high doses, and ultimately the drinker is less able to achieve the desired affects regardless of the amount drunk. Nonetheless, such drinkers are often physically dependent. As a result they drink heavily to avoid the symptoms of withdrawal, a condition of such severity that it should be conducted under medical surveillance as it can be severe enough to cause death.

The effects of alcohol on the unborn were also graphically presented to the panel by a group from the University of B.C. Dr. Christine Loock told us that it was not until the late 1960's and early 1970's that a "distinct condition associated with maternal alcohol consumption was described in the medical literature". Dr. Loock went on to point out the syndrome is associated with:

— distinctive facial abnormalities
— growth deficiency
— development and mental retardation
— increased frequency of major congenital anomalies.

The panel learned as well about conditions at Alkali Lake, a Native community that has valiantly gone from a completely alcoholic population to 95 percent sobriety. Amongst other concerns identified, Chief Andy Chelsea made us aware of the community concerns regarding the results of Fetal Alcohol Syndrome.

The social, family and health costs of Fetal Alcohol Syndrome are such that every effort should be made to educate all those who may become mothers.

# 2. CONSUMPTION

We repeatedly heard that social and health problems are directly related to alcohol consumption levels in society.

Per capita consumption levels began to level off in the mid-1970's, and overall consumption of absolute alcohol in British Columbia decreased from 10.10 litres in 1981-82 to 8.65 litres in 1985-86. There has been a very marginal increase in 1986-87, which can be attributed to some extent to the influx of tourists visiting Expo '86.

There are several reasons for the decline in consumption both nationally and provincially.

One of those reasons is the change in public attitudes and behaviour, resulting from expanding education and increased awareness of the negative effect of alcohol. The public is less tolerant of heavy drinking, especially when associated with driving. This is testimony to the success of the CounterAttack program.

Consumer preferences are also shifting to lower alcohol content beverages as health consciousness increases. Despite the fact consumption of absol ute alcohol is decreasing, British Columbians still consume considerably more alcohol than their fellow Canadians and, indeed, most of their fellow North Americans as is evident in the following chart.

**1984/85 PER CAPITA LIQUOR CONSUMPTION**
**(Litres per person)[a]**
**(Number in brackets refers to Canadian ranking)[b]**

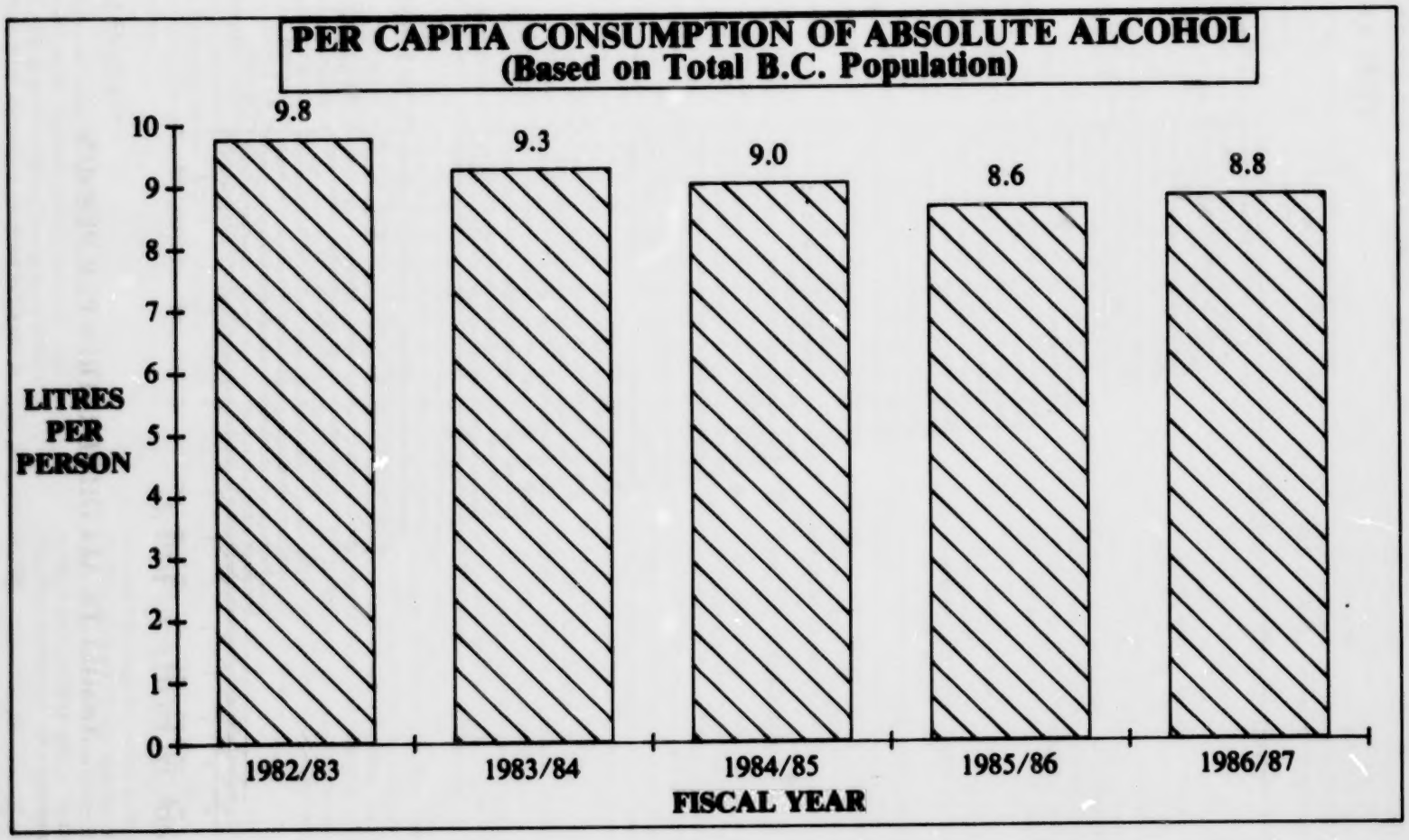
| | Spirits | Wine[c] | Beer | Absolute Alcohol |
|---|---|---|---|---|
| British Columbia | 8.58 (2) | 16.17 (1) | 80.85 (5) | 9.05 (1) |
| Alberta | 9.68 (1) | 9.58 (3) | 74.98 (6) | 8.55 (2) |
| Saskatchewan | 7.75 (3) | 5.19 (7) | 67.76(10) | 6.98 (7) |
| Manitoba | 7.68 (4) | 6.72 (5) | 83.29 (4) | 7.90 (4) |
| Ontario | 7.24 (5) | 9.48 (4) | 85.54 (2) | 8.14 (3) |
| Quebec | 3.91(10) | 10.47 (2) | 85.37 (3) | 6.92 (8) |
| New Brunswick | 4.88 (9) | 4.50 (8) | 73.08 (8) | 6.05(10) |
| Nova Scotia | 7.09 (6) | 6.13 (6) | 74.23 (7) | 7.15 (6) |
| P.E.I. | 6.82 (7) | 4.18 (9) | 72.34 (9) | 6.74 (8) |
| Newfoundland | 6.30 (8) | 2.81(10) | 88.05 (1) | 7.17 (5) |
| Canada | 6.71 | 9.78 | 82.46 | 7.79 |
| Washington | 6.62 | 13.20 | 82.51 | 8.02 |
| Oregon | 5.98 | 12.30 | 85.43 | 7.80 |
| Iowa | 4.39 | 2.76 | 90.31 | 6.28 |
| California | 7.83 | 17.30 | 94.47 | 9.58 |
| Control States | 5.64 | 6.40 | 86.41 | 7.00 |
| Licence States | 7.31 | 9.54 | 92.39 | 8.29 |
| Total U.S. | 6.81 | 8.63 | 90.65 | 7.95 |

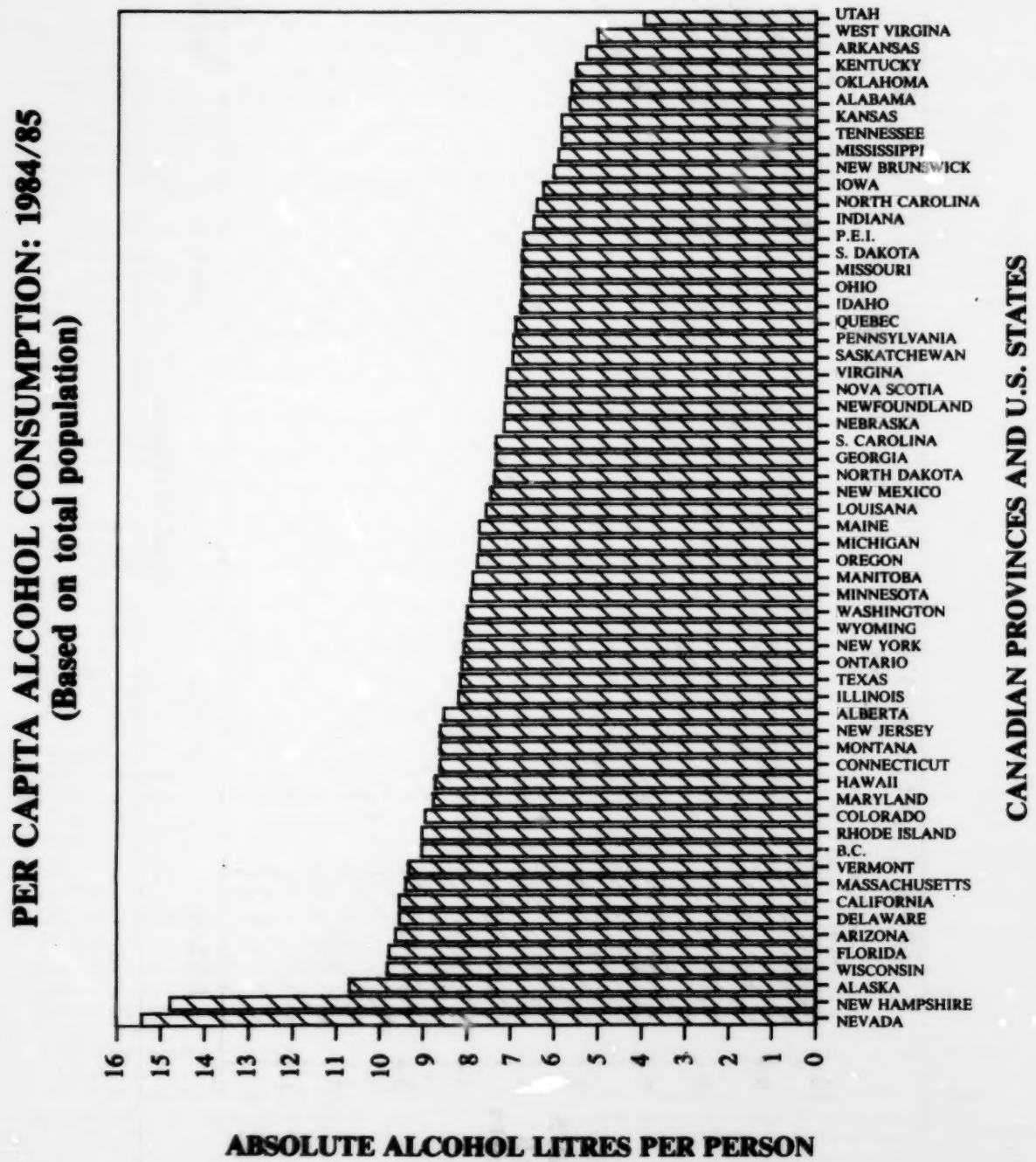
a Based on Total Population on July 1, 1984.
b If B.C. were a state it would rank 11th in absolute alcohol consumption.
c Includes Cider and Wine Coolers.

Canadian figures are from Statistics Canada, L.D.B.
U.S. figures from D.I.S.C.U.S. Reports.

These figures are of concern to us as we heard from sources that there is a direct correlation between the level of alcohol consumption and social problems and costs.

In summary, there appears to be an attitude of moderation developing, as we shall discuss in greater detail elsewhere. The public seems to increasingly recognize the problems associated with the abuse of alcohol.


PER CAPITA CONSUMPTION OF ABSOLUTE ALCOHOL
(Based on Total B.C. Population)
LITRES PER PERSON
0
1
2
3
4
5
6
7
8
9
10
9.8
9.3
9.0
8.6
8.8
1982/83
1983/84
1984/85
1985/86
1986/87
FISCAL YEAR


PER CAPITA ALCOHOL CONSUMPTION: 1984/85
(Based on total population)
UTAH
WEST VIRGINA
ARKANSAS
KENTUCKY
OKLAHOMA
ALABAMA
KANSAS
TENNESSEE
MISSISSIPPI
NEW BRUNSWICK
IOWA
NORTH CAROLINA
INDIANA
P.E.I.
S. DAKOTA
MISSOURI
OHIO
IDAHO
QUEBEC
PENNSYLVANIA
SASKATCHEWAN
VIRGINA
NOVA SCOTIA
NEWFOUNDLAND
NEBRASKA
S. CAROLINA
GEORGIA
NORTH DAKOTA
NEW MEXICO
LOUISANA
MAINE
MICHIGAN
OREGON
MANITOBA
MINNESOTA
WASHINGTON
WYOMING
NEW YORK
ONTARIO
TEXAS
ILLINOIS
ALBERTA
NEW JERSEY
MONTANA
CONNECTICUT
HAWAII
MARYLAND
COLORADO
RHODE ISLAND
B.C.
VERMONT
MASSACHUSETTS
CALIFORNIA
DELAWARE
ARIZONA
FLORIDA
WISCONSIN
ALASKA
NEW HAMPSHIRE
NEVADA
16
15
14
13
12
11
10
9
8
7
6
5
4
3
2
1
0
ABSOLUTE ALCOHOL LITRES PER PERSON
CANADIAN PROVINCES AND U.S. STATES

# 3. THE COSTS OF ALCOHOL TO OUR SOCIETY

At virtually every hearing and in hundreds of letters we were reminded of the costs society must bear from alcohol-related problems. We were told these should be measured in terms of deaths and injury from impaired driving; violence and family disruption; alcoholism, liver cirrhosis, fetal alcohol syndrome and other medical problems; industrial accidents and lost productivity; criminal activity and the tendency to progress from early alcohol use to early illicit drug use.

Representatives of the City of Prince George stated an often repeated message: "The costs of alcohol-related damages (approximated at $2 billion per year in B.C.) would appear to substantially outstrip government revenue." This seems to be a generally accepted figure among those who appeared before the committee.

The wide range of negative consequences arising from alcohol abuse and creating a demand for government and private sector expenditures include the following five categories:

## A. Health Care

Based on conservative estimates from the Ministry of Health, the cost of alcohol-related health care in British Columbia in 1986-87 was estimated at $366.4 million, or approximately 10 percent of the total Ministry of Health budget. These costs are associated with virtually every aspect of health care, including inpatient, out-patient and emergency room hospital services, ambulances, laboratory tests, doctors, prescriptions, occupational health, rehabilitation and so on. At least 50 percent of all hospital emergency cases and between 20 - 40 percent of all hospital admissions are considered alcohol related.

Moreover, the B.C. Medical Association indicated in its brief that these costs may be understated.

The Kaiser Substance Abuse Foundation estimates that in 1986 there were 202,000 heavy drinkers in British Columbia. In addition, they estimated there are 521,000 British Columbians who consume less heavily but nevertheless risk health damage due to excessive drinking.

## B. Protection of Persons and Property

Alcohol abuse causes problems which demand services in the area of law enforcement, courts, corrections, fire protection and related services. These include assaults, rape, domestic violence, theft and homicide, among others. Social services are provided to the courts for family court cases where alcohol abuse is a frequent theme. An estimated 50 percent of all inmates in B.C. correctional facilities are there for alcohol-related offences. Protective services in B.C. related to alcohol abuse cost the public sector in 1986-87 an estimated $104.2 million.

## C. Social Welfare

The Ministry of Social Services and Housing provides extensive community support services, many of which are required because of problems arising from alcohol abuse. Marg Fritz, Director of the Phoenix Society in Kamloops noted, for example, that "55 percent of home violence is alcohol related (and) 60 percent of all child abuse". These figures were supported by many other presenters. About 8.4 percent of the provincial social welfare expenditures in 1986-87, or approximately $151 million, were because of alcohol abuse.

## D. Labour Productivity

While the issue of alcohol in the workplace is being addressed by the Task Force on Drugs and Alcohol in the Workplace, we would be remiss if we did not consider these costs along with the others mentioned.

Industry is affected by alcohol-related problems through lateness, absenteeism, low productivity, errors of judgement, accidents, staff retraining and replacement as well as customer and staff relations. For the individual, problem drinking can lead to financial problems and loss of job. All of this affects our economy.

It is difficult to get an accurate figure for these costs: illnesses, accidents and injuries are often attributed to other causes. Statistics Canada estimates the B.C. costs at about $216 million.

Recent research by the Addiction Research Foundation in Ontario indicates that alcohol abusers are, at best, 10 percent less productive than non-abusers. Some researchers feel that estimate should be as high as 40 percent.

## E. Traffic Accidents

In an average year in B.C., drinking and driving produces over 200 deaths and 7,000 injuries. The Ambulance and Paramedics of British Columbia told us that up to 30 percent of their weekend calls are alcohol related.

Drinking and driving charges comprise a third of the criminal code case-load and over one-third of the provincial jail time is for drinking and driving convictions.

Police statistics show alcohol as the major cause of almost 11 percent of accidents at which police attend.

In addition to the costs mentioned above, there is little or no research that can effectively measure the substantial indirect costs related to family and friends of alcohol abusers through illness, lost time at work, injury, suffering and death.

It is not our intention to place undue emphasis on the problems associated with alcohol. However, the issues discussed above represent the concerns of the majority of those who presented to the panel or wrote us. In our view, the policy considerations we will now address must recognize these problems and costs as part of the policy equation.

# 4. POPULATION AT RISK

We were told many times that while alcohol can be a potential problem for any member of our society, there are clearly groups that are more at risk than others. We were urged to consider these groups' needs for additional education, prevention, early intervention and treatment efforts.

## A. Youth

We were told that children in British Columbia are now beginning to drink earlier. The median age for beginning to drink is now 14, with many children beginning even before they are 12 years old. A 1982 survey conducted by the Alcohol and Drug Programs, Ministry of Health, found that 66 percent of teenagers used alcohol in the month before the survey; the national average was 52 percent.

Findings by the Alberta Alcohol and Drug Abuse Commission (A.A.D.A.C.) in 1986 noted that alcohol is now the drug of choice by Alberta's teens: 47 percent compared to 21 percent choosing cigarettes.

One mother who offered her views at the Richmond hearing put the concern about youth drinking in perspective. Carole Legge stated:

"I am concerned about underage drinking, not because I am a fanatic, moralistic prohibitionist, but because I want the most encouraging, supportive, healthy environment for the development of my children's character and ability. As I understand it, teens do not drink socially as adults may do: the majority drink for the 'high' . . . The addiction process occurs much faster with teens than with adults; the earlier a person starts to drink, the greater the chances of developing problems later in life; and when drinking problems occur in teens, the whole maturation process — social, physical, emotional and intellectual development — is impeded".

The professionals we heard from agree.

The Alcohol and Drug Education Service advised us of:

— association between alcohol use in adolescence and subsequent use of other drugs;
— association between early use of alcohol and alcohol problems later in life; and
— progression to chemical dependency is much more rapid among adolescents than among adults.

Alcohol has come to be termed the principal "gateway" drug in adolescence.

A 1982 survey of Grades 8 to 12 drinking patterns in a Vancouver suburb showed almost 91 percent of students surveyed had used alcohol at some time in the past month, 30.3 percent drank every weekend, and 27.8 percent drank to the point of intoxication.

Drinking and driving by young people was also a focal point of concern at the hearings. Youth are disproportionately involved in drinking driving accidents. In 1985, British Columbia teenagers were involved in 28 percent of alcohol-related traffic deaths.

Several presenters suggested the increase in drinking by youth is related to extensive lifestyle advertising which associates glamorous lifestyles with consuming alcohol.

We were warned of the dangers of the present availability of drinks in grocery and food stores that *contain less than 1 percent alcohol by volume drinks*. A doctor who appeared before the panel stated that youths beginning alcohol consumption with these beverages are likely to quickly progress to higher alcohol beverages.

## B. Unborn Children

As we have already pointed out, the fetal alcohol syndrome issue was graphically illustrated to us at our hearings in Burnaby and Alkali Lake.

The Alcohol Dependency Committee of the British Columbia Medical Association reports that pregnant mothers who drink may place the fetus at risk of developing fetal alcohol syndrome (FAS).

Dr. G.C. Robinson of the University of British Columbia told us that recent studies estimate the frequency of FAS worldwide at 1 - 2 per 1,000 live births. This figure is also applicable to B.C. but is likely much higher in certain areas of the province. FAS is particularly apparent in northern B.C. and the Yukon. Fetal alcohol expression (FAE), a partial expression of FAS, has worldwide frequency of 3 - 5 cases per 1,000 live births.

In a study at the University of British Columbia results showed that 64 percent of FAS/FAE children are retarded. FAS is the leading known cause of mental retardation in the western world, exceeding Down's syndrome and spina bifida.

Realistic estimates of the number of children with FAS/FAE are difficult to determine, since most children affected by the syndrome are currently undiagnosed.

The majority of diagnosed FAS infants and young children are in foster homes or institutional care.

FAS is totally preventable by preventing maternal alcohol abuse. Medical experts identified the need for a program of FAS education to inform adolescents in secondary schools of the consequences of drinking during pregnancy. On the basis of the evidence presented by medical and health care experts, the Committee concludes that the incidence of FAS/FAE can be considerably reduced by effective public education.

## C. Native People

Alcohol abuse among Native peoples represent a major problem. Such abuse is inextricably related to their health, social and economic problems.

Statistics Canada reported in its quarterly journal CANADIAN SOCIAL TRENDS (Winter, 1986) that the major causes of death for Natives are accidents, poisonings and violence, any of which may be alcohol related.

In 1983 just over 174 deaths over 100,000 Natives resulted from these causes, or three times the rate for Canadians as a whole. A comparison to 1977 research shows the death rate for Natives due to accidents, poisonings and violence has declined by 25 percent. While there are many factors associated with the decline in this cause-specific death rate for Natives, a positive factor has been the introduction of alcohol and drug abuse programs by *federal and provincial governments*, targetted specifically at Native people.

Natives also tend to be over-represented in use of health, social welfare, and protective services in relation to Canadians generally, particularly where alcohol abuse is a factor.

Native leaders have recognized the devastating impact that alcohol has had on the social, cultural, spiritual, and economic fabric of their society, and are attempting to grapple with this problem. In recent years Native organizations throughout Canada have lobbied both federal and provincial governments for the necessary funding to develop community-based social, educational and health services to combat the problems of alcohol abuse.

Both the B.C. Ministry of Health and National Health and Welfare have identified Native people as a high-risk population for whom public alcohol education, prevention, and treatment services are a priority.

## D. Children of Alcoholics

We are told that children of alcoholics who escape the Fetal Alcohol Syndrome are still at greater risk than other children. Should they choose to drink, they are three to five times more likely to develop alcoholism, suggesting, we were told, a strong genetic factor.

On the basis of the available research, and the concerns expressed by a number of medical and alcohol treatment agencies, the committee recognizes that children of alcoholics are indeed a high risk group who need to be educated about their special vulnerability to the dangers of alcohol before they start drinking. For many, this means at a primary school age.

# 5. ALCOHOL EDUCATION

In recent years, British Columbians, and indeed all Canadians, have become increasingly aware of the health and social costs of alcohol abuse. The result is a public expectation that the government continue to minimize alcohol-related social costs.

In May, 1987, the federal government announced its long-range strategy to curb drug abuse, which includes alcohol abuse. The $210 million, five-year action plan brings new resources to Canadian initiatives in public education, treatment, prevention, enforcement and control, and research initiatives at the international, national, provincial and community levels.

Throughout the course of the hearings we repeatedly heard that there was a need for British Columbians to become better educated about the responsible use of alcohol, and the social and health risks associated with abuse.

If we are to reduce alcohol problems in society, we cannot ignore health promotion of which an essential part is education to address individual behaviour and attitudes.

The committee heard presentations from a great number of organizations and individuals challenging government and the alcohol industry to more actively promote healthy lifestyles and moderate consumption of alcohol.

The committee considered alcohol education in the context of three specific areas which, by nature, are interconnected:

— public alcohol education
— primary, secondary and post-secondary school education
— licensee/server training.

## A. Public Alcohol Education

In British Columbia, public alcohol education has traditionally been the responsibility of health, social service, law enforcement and public and private sector prevention and education organizations. There is no statutory requirement for such a public education responsibility.

Currently both the Liquor Distribution Branch and the Liquor Control and Licensing Branch have operational educational policies which "encourage moderation and maturity in the use of alcohol". The LDB addresses this responsibility through public information notices within its retail outlets as well as through its Product Guide.

The LCLB's response is primarily regulatory, in that it is responsible for controlling the advertising of alcohol through the electronic and print media. The LCLB regulates wine and beer advertising via the electronic media, and ensures that educational messages constitute at least 15 percent of all alcohol advertising time. However, the LCLB itself does not provide public education.

Public education regarding alcohol abuse has evolved as the responsibility of such public and private sector organizations in British Columbia as:

1. The Ministry of Health, through Alcohol and Drug Programs, and the Preventative Services Branch.
2. CounterAttack, funded through ICBC and the Ministry of Attorney General.
3. The Ministry of Education.
4. The Health Promotion Directorate, Health and Welfare Canada.
5. The National Native Alcohol Drug Abuse Programs (NNADAP).
6. Employee assistance programs, of a number of private and public sector organizations.
7. Alcohol and Drug Education Services (ADES), a non-profit organization.
8. The Kaiser Substance Abuse Foundation.
9. Other locally and regionally based organizations such as the Kamloops Chemical Abuse Program (KAMCAPS), the North Island Alcohol and Drug Information Society (NADIS) and the Nanaimo Alcohol/Drug Abuse Prevention Task Force.
10. Alcoholics Anonymous, Al-Anon, Al-Ateen.

In 1986, the total operational budget of the above noted organizations was approximately $37.6 million. Of this amount about $4 million was directed at public education programs.

It is clear, however, that these groups represent an excellent training base upon which to build. It is these types of organizations who could benefit from expanded funding and who could deliver many of the further educational programs needed.

Public education has been aimed predominately at educating young persons and at alerting the public to the risks of impaired driving and alcohol abuse in the work place. There are groups such as seniors, Native people and pregnant mothers who research shows are at considerable risk from alcohol abuse. These groups would benefit from educational programs as well.

A number of presentations from social and health service organizations, as well as private citizens, suggested the alcohol industry should assume more responsibility for the cost of public school education. Presenters of the industry suggested that they already participate in responsible public education programs.

Presently 15 percent of all alcohol advertising time is made available by the alcohol industry for public education advertising through the British Columbia Association of Broadcasters. Seagram Distillers, in particular, spoke of its national public awareness program to promote responsible drinking.

A number of organizations and individuals recommended that a portion of the close to $500 million in government revenue, generated by the LDB and LCLB in 1986/87, be directed to public education initiatives.

The committee found that while a number of alcohol education initiatives currently exist, better overall coordination of these initiatives would improve their effectiveness.

The committee was impressed by reports of the work being done by the Alberta Alcohol and Drug Abuse Commission (AADAC) and the Saskatchewan Alcohol and Drug Abuse Commission (SADAC) in regard their array of education programs fully utilizing media advertising.

# RECOMMENDATIONS

1. The Ministry of Health, through Alcohol and Drug Programs, coordinate with appropriate funding the long-term development of alcohol education programs, relying on the expertise of existing organizations and community-based groups, who should also serve as the prime vehicles for developing these expanded education initiatives.
2. That all segments of the alcohol industry in British Columbia, including the LDB/LCLB, should substantially commit themselves to participation and funding of programs to promote moderate and responsible consumption for those who wish to drink alcoholic beverages.

## B. Primary, Secondary and Post-Secondary School Education

As with alcohol education for the public at large, alcohol education in our schools is the responsibility of a variety of health, social service, law enforcement, and public and private sector education/prevention organizations.

We were told that at present, alcohol abuse education lacks a coordinated approach. The decision to introduce such a program rests with individual school boards, or the local school administration.

There are a variety of education and prevention programs available in B.C., such as "Making Decisions" and "Mission D.A.D." presented by Alcohol and Drug Education Service; "Wedg" presented by Alcohol and Drug Programs, Ministry of Health; KAMCAP presented by the Phoenix Centre in Kamloops; and "CounterAttack" programs. Others are brought in from Alberta, Washington State, or elsewhere.

As well, parent groups, theatre groups, and community-based counselling agencies provide a variety of educational resources to school children, mostly from grades 5 to 12. Unfortunately, they are not part of the curriculum mainstream which is where they would have most impact.

Earlier in this report, we made reference to recent provincial and national studies which showed that Canadian children, on average, begin to drink alcohol at age 14. The following chart demonstrates the alcohol consumption patterns of British Columbia students compared to Canadian averages, for Grades 7 and 10.

| | Once per month | 2 - 3 times per month | 2 - 3 times per week |
|---|---|---|---|
| **GRADE 7** | | | |
| B.C. | 16.6% | 7.7% | 1.6% |
| Canada | 14.5% | 8.0% | 2.5% |
| **GRADE 10** | | | |
| B.C. | 24.5% | 28.0% | 12.3% |
| Canada | 24.4% | 32.0% | 10.2% |

1985 Queens University Study

The correlation between alcohol use and illicit drug use has been known for some time. A 1986 study showed that British Columbia youth who used illicit drugs started using alcohol two or more years earlier than those who did not use illegal drugs at all.

The Alberta Alcohol and Drug Abuse Commission found that for Alberta teens the drug of choice today is alcohol at more than twice the rate over cigarettes. We may conclude that the significant shift in public attitudes by these teens away from smoking is a good example of the positive benefits of intensified public education.

A number of school boards, teachers, counselling agencies, parents — and one student — stated a common theme: alcohol and other drugs are used by many more school age children than we would like to believe. Based on research and many personal experiences, they cited problems among adolescents stemming from alcohol consumption that included suicide, impaired driving injuries and fatalities, vandalism, family violence, accidental injuries, other drug use, impediment of interpersonal relationships, failed grades and alcoholism.

In B.C. approximately $2.0 million is directed at alcohol education in the schools, with CounterAttack at the secondary school level providing the major input. Some professionals told us that effective attitude change occurs when education programs are presented consistently across grades beginning in the formative years (ages 7 through 9), perhaps starting as early as kindergarten.

Studies show that alcohol education at the school level can be effective in reducing long-term alcohol abuse provided there is adequate funding, coordinated commitment, and planned teacher and parent training. Educational research indicates that life-long attitudes have an effect on behaviour when material is presented sequentially on a consistent basis.

While public education in general is encouraged, a school-based curriculum can be most effective if it is developed specifically for a student audience, recognizing the various levels of maturity and

understanding of the audience. The current consensus among alcohol and drug educators is that school-based education should be accompanied by community programs — including mass media campaigns.

It was also noted by several groups that alcohol education should be an essential requirement for students and educators alike in post-secondary institutions. In particular, alcohol education should become a mandatory part of the curriculum in medical and nursing schools, law schools, schools of social work, teacher colleges, police academies and business management schools.

Graduates in each of these areas will be exposed regularly to members of society who either abuse alcohol, or are affected adversely by someone else's alcohol abuse. We were told that today's graduates could be better trained to make informed legal-, social-, or health-related decisions on matters involving alcohol abuse.

# RECOMMENDATIONS

3. The Ministry of Education make substance abuse education mandatory in its new health curriculum for kindergarten to Grade 12.
4. The Ministry of Advanced Education and Job Training introduce alcohol education as an elective in all technical schools, community colleges and universities, and that it be mandatory in schools for the medical, nursing, teaching, law, social work, and police professions and business management.
5. The Ministries of Education, Health, and Advanced Education and Job Training should work together to determine how best to coordinate the initiatives of federal, provincial, municipal, and local community-based groups in developing and promoting alcohol education in schools, colleges and universities.
6. For alcohol education to be effective in our schools, teacher training is essential to effect extensive and consistent education and to achieve commitment to the program.

## C. Licensee and Server Education

Many individuals and groups representing restaurants, the B.C. and Yukon Hotels' Association, as well as social and health care agencies, indicated that to be effective, alcohol education must be expanded to include a licensee and server training program.

With today's recognition of the health and social problems associated with alcohol use and abuse, there was general consensus that all segments of the alcohol industry, including licensees, have an obligation to promote responsibility and moderation.

There is a clear need for the training of licensees and servers, including liquor retailers, concerning their obligations and duties under the LIQUOR CONTROL AND LICENSING ACT and regulations. Servers and licensees must become more knowledgeable about the physical and psychological affects of alcoholic beverages on the consumer, how to recognize and prevent impairment, and how to manage impaired patrons.

There were numerous accounts offered to us of patrons who were obviously impaired as they left licensed establishments, and then chose to drive their vehicles at life threatening risk to themselves and others. Evidence shows that more than half of all impaired driving charges and accidents involve drivers who have come from a licensed establishment.

In several of the communities the committee was made aware of overserving in licensed premises. The problem appears to be particularly acute, we were told, when social service and similar income assistance cheques are issued.

In our opinion a server program, along with additional enforcement, will aid considerably in alleviating overserving.

The committee reviewed server education programs in Ontario, Manitoba, Oregon and Washington, and found that although uniform in basic principle, they were specific to the perceived needs of the individual jurisdiction. For British Columbia's purposes, the areas which should be addressed are:

1. learning the law relating to the service of alcohol
2. understanding the effects of alcohol on the body and on behaviour
3. recognizing and dealing with intoxicated persons
4. detecting false and altered identification
5. serving minors
6. overserving.

The actual content of the program should be the result of consultation with representatives from the interested parties. Preparation of these education programs should include input from representatives of the liquor and hospitality industries and other related government agencies.

The LCLB is most qualified to administer and regulate a server training program and could ensure control over program content and compliance from participants. The program might, however, be offered in combination with other hospitality training such as the very successful Superhost program and/or through community colleges.

In our view, training programs should be the same for different classes of licences and every licensee should be required to take training. Initially a large number of people would have to be trained; however it is necessary to ensure that licensees and servers be made aware of their duties and responsibilities regarding the service of alcohol.

Additional training parallel to that offered to servers should be made available to licence inspectors, LDB employees, LRS operators and employees, and police officers.

Servers at public functions covered by the appropriate special occasion licence should receive server training. The group applying for such a licence should provide a list of approved servers as a condition of obtaining the Special Occasion Licence.

# RECOMMENDATIONS

7. Comprehensive server and licensee education programs should be developed and administered by the Liquor Control and Licensing Branch. This

program should be legislated by amendment to the LIQUOR CONTROL AND LICENSING ACT and would be mandatory for all licensees and servers of alcoholic beverages, including retailers, in British Columbia. The program should be delivered at the local level using, for example, community colleges.

8. Potential licensees and beverage alcohol servers must obtain training as a condition of licence approval or employment. Current licensees and servers must obtain such training with time frames to be established by the LCLB in order to maintain their licence or employment.

9. All licensed establishments should be encouraged to make available, on public display, alcohol education literature as provided by health and social service agencies.

10. Designated driver programs should be encouraged. It is hoped the alcohol industry will be financial sponsors.

# 6. ALCOHOL TREATMENT

We received presentations from over 40 public health, alcohol counselling, social service, medical and education agencies, as well as Native groups specifically recommending improved and expanded alcohol treatment services and facilities. Many members of the public voiced their agreement with the recommendations.

As previously discussed it is difficult to place a firm dollar figure on the actual cost of alcohol abuse to government and the private sector. We were told, however, that economists and researchers estimate the cost to British Columbians in 1986 to be at least $1 billion. Many at the hearings placed that figure currently at approximately $2 billion.

We were told that in 1986 approximately 10 percent of the Ministry of Health's budget, or $366 million, was spent on alcohol-related health care. Note that most of this cost was directed at expensive hospital care, physician services, ambulance services and prescriptions. $22.3 million of the $366 million was directed specifically at alcohol and drug prevention and treatment services.

In 1986, Alcohol and Drug Programs (ADP) both directly and through grant funding operated 67 programs located in 50 communities throughout the province. There were 42 outpatient counselling programs, six detoxification centres, nine residential treatment centres and nine supportive recovery homes. Funding was also provided to Alcohol and Drug Education Services, whose primary responsibility is alcohol education.

In addition, ADP provides prevention and program development services including a library resource centre, and produces and distributes educational materials for use by agencies and the general public.

The majority of ADP's counselling and residential treatment services historically have been directed at adults, with 95 percent of the clients being over 18 years of age. In recent years much of the education and prevention services has been directed at youth. In 1985 ADP targetted four groups as requiring special attention. Namely women (particularly due to concerns over fetal alcohol syndrome), youths, Natives, and the elderly. Children of alcoholics are also being given priority attention. Early assessment, prevention and public education are key components in this initiatives and are being undertaken in cooperation with other federal and community-based programs and agencies.

Funding limitations have tended to preclude the expansion of treatment into more communities throughout the province. As a result, there are communities which have no immediate access to substance-abuse services. We heard this concern from both community groups and individuals.

We were told that for reasons of geographic proximity many residents from the eastern part of B.C., particularly in the Kootenay region, chose to attend alcohol treatment programs in Alberta, especially for residential treatment. To attend residential treatment programs in B.C., people from eastern B.C. would have to travel to Prince George or Kelowna.

We also learned that there is no substance abuse residential treatment program for youth in B.C. Although several adult residential programs do admit young people from age 16 upwards, evidence shows that few 16-18-year-olds actually use these programs. We were heartened to hear, however, that greater efforts are being made to introduce short-term pilot programs for youth into residential treatment programs, such as the one at the Nechako Centre in Prince George.

While we heard from some agencies that more residential treatment services were needed, others recommended community-based outpatient services that draw on a local family support systems. Our own research of this matter recognized a lack of unanimity; however, the arguments appeared to favour community based outpatient services as being more efficient and cost effective.

We suggest that the Ministry of Health, through the Alcohol and Drug Programs, develop additional treatment programs that will be in the best interests of the particular communities and populations that will benefit from these services.

Research shows that alcohol treatment services in B.C. have a reasonably high success rate. A 1987 review of admissions to agencies operated by Alcohol and Drug Programs over a three-year period revealed that of the 11,700 assessment/treatment patients in the study, 57 percent did not reappear within two years of their discharge. Of the 43 percent who experienced at least one readmission with the two-year follow up, 44 percent were chronic "difficult to treat" patients, who are primarily repeat users of detoxification centres and supportive recovery homes. This latter group represents between 18 - 20 percent of the total patient population. As such, it was found that the opportunity to positively impact upon clients is four out of five.

Additional data from Alcohol and Drug Programs shows that 19,775 individuals were admitted for assessment and treatment in 1986. We are advised, however, by the Kaiser Substance Abuse Foundation that there may be as many as 202,000 heavy drinkers in British Columbia, which clearly suggests there is much work to be done and that resources are needed to accomplish it.

We were told by alcohol counselling agencies that many members of society are the victims of someone else's abuse. They spoke of clients who, while intoxicated, have been involved in rape, incest, physical abuse and other crimes, or may themselves have been the victims of such crimes committed by someone who abused alcohol. These agencies reported that providing effective counselling to these victims is often more difficult than treating the alcohol

abuser because of the deep-seated trauma generally associated with such abuse.

The federal government, private industry, self-help groups and others are also involved in providing alcohol treatment counselling, education and preventive services.

The Native Alcohol and Drug Abuse Program (NADAP) supports Native people in establishing and operating substance abuse programs. These programs operate in approximately 60 Native communities throughout the province, and are geared largely to counsellor training, public education, life skills development, and substance abuse counselling. All programs are community based, other than one residential treatment program at Williams Lake.

In British Columbia approximately 100 private manufacturing, retail and wholesale companies, along with a number of provincial and municipal government agencies, are actively involved in the area of developing employee assistance programs with early detection of alcohol and drug abuse being one of their key objectives. In 1986 about $7.5 million was spent by these companies in referring and paying for employees to undertake substance abuse treatment. Most were referred to resources in B.C. while others were referred to centres in other provinces and the United States. The employee assistance programs provide assessment, referral and education services only.

A number of non-profit societies, who rely on partial government funding, private donations, and community fund raising, also provide counselling and supportive recovery services. The Salvation Army, in particular, operates several Harbour Light shelters.

Mutual support groups such as Alcoholics Anonymous, Al-Anon, Alateen, and Adult Children of Alcoholics (ACOA) also play an invaluable role in making community-based recovery help available. Many individuals who have already been through a formal treatment program draw on these support groups for the acceptance, support and open interactions they are able to provide.

## RECOMMENDATIONS

11. Since further funds are needed for alcohol education, prevention and treatment throughout British Columbia, these funds should be raised through the sale of beverage alcohol. They would be earmarked for alcohol-abuse programs and be additional to funds already committed to the program areas. Prime consideration should go to high risk groups. The ministries involved in delivery of these programs should be able to access these funds.

12. The Ministry of Health should give priority attention to expanding and developing further treatment resources for youth.

## 7. GOVERNMENT DILEMMA: SOCIAL COSTS VS. ECONOMIC BENEFITS

The health and social damage resulting from alcohol abuse are well recognized and documented. They are measured in terms of deaths and injury from impaired driving, industrial accidents and lost productivity, violence and family disruption, alcoholism, liver cirrhosis, fetal alcohol syndrome and a myriad of other medical problems. The costs in human suffering are significant.

Equally well recognized are the benefits of beverage alcohol to the majority who use it wisely. We note the public's satisfaction linked with access to a product associated with relaxation and conviviality. In addition, there are significant economic benefits to the private and public sector which may be measured in terms of jobs, investment, sales, profits and tax revenues. Alcoholic beverages play an important role in tourism, hospitality and retail industries.

Government finds itself in the midst of this dilemma. On the one hand, as the principal distributor of alcohol it is concerned with generating revenue; on the other hand, it expends considerable public funds for services dealing with alcohol abuse. Because of this dichotomy of responsibilities, it is extremely important to develop a coherent, consistent government-wide alcohol policy.

In British Columbia the government's mandate to regulate supply and availability, and to generate revenue to fund essential government programs, is currently shared by the Ministry of Labour and Consumer Services, through the LCLB, and the Ministry of Finance and Corporate Relations, through the LDB, as vested through the LIQUOR CONTROL AND LICENSING ACT and the LIQUOR DISTRIBUTION ACT.

It is clear, however, that the impact of alcohol consumption has direct and major economic, social, and health policy implications for many government ministries. The Ministries of Labour and Consumer Services, and Finance and Corporate Relations, are involved in determining alcohol policies that are revenue oriented and regulatory. The Ministry of Tourism, Recreation and Culture has an interest in alcohol policy as it effects the hospitality and tourism industry. The Ministries of Health, Social Services and Housing, Attorney General, Education, Transportation and Highways, and Treasury Board are all providing services or funding dealing with the consequences of alcohol abuse.

In a similar review in 1986, the Ontario Liquor Advisory Committee concluded that the development of alcohol policy must be a cooperative and joint-planning process involving all interested parties. As such, government policy must take into account both the positive and negative social and economic aspects of alcohol if the policy is to meet its alcohol mandate. Our committee has reached the same conclusion.

The committee is of the firm opinion that an ongoing cooperative and joint planning process is essential.

To this end the committee recommends that an administrative mechanism is necessary, representing the collective interests of all concerned ministries.

## RECOMMENDATIONS

13. There should be created a coordinating group of senior program staff from all ministries concerned, including Treasury Board staff, which would report to the Social Policy Committee of Cabinet on all alcohol policies with the potential for a significant economic/health and social services impact.

14. Government should strive to provide an optimal level of alcohol education, prevention and treatment services

and programs. As a major step towards this goal we have recommended additional funds be provided for these purposes.

## 8. FUNDING TREATMENT EDUCATION AND PREVENTION PROGRAM

We recommended raising incremental funds for the further treatment, education and prevention programs we believe are needed. We would like to now expand on our reasons for this recommendation. There are a number of different ways in which various jurisdictions attempt to meet the financial burden of paying for health, social, education, and protective programs regarding alcohol abuse.

The traditional approach in B.C., and throughout other Canadian jurisdictions, to meet these costs has been for government to pay for such programs out of general revenues.

The committee heard from a number of organizations and many private citizens recommending that current and incremental alcohol education, prevention and treatment programs should be paid for by those who consume liquor.

The committee believes that it is appropriate to raise additional funds through the sale of beverage alcohol to be use solely for the provision of additional alcohol education, prevention, and treatment programs.

In 1986, the provincial government spent $22.3 million on alcohol and drug abuse programs which provided prevention, outpatient counselling, detoxification, and residential treatment services. An additional $1.5 million was allocated to drinking and driving and other public education initiatives.

Initial estimates suggest that $65 - $70 million is required annually for government to provide the optimal level of alcoholic-specific education, prevention and treatment services and facilities throughout the province.

Through the Vocational Rehabilitation of Disabled Persons cost sharing agreement (VRDP) with the federal government, the province now recovers approximately $8.5 million of the $22.3 million spent on alcohol treatment services.

Raising funds directed to incremental treatment services will have no negative impact on the VRDP cost-sharing program with the federal government. In fact, initial indication is that costs for any incremental treatment services would continue to be proportionately recoverable.

Allocation of earmarked funds to designated ministries would continue to be presented through annual ministry budgets. The previously discussed interministry group would, however, make recommendations to the Social Services Committee of Cabinet regarding such allocations.

## RECOMMENDATION

14. Government should strive to provide an optimal level of alcohol education, prevention and treatment services and programs. As a major step towards this goal, we have recommended funds be provided for these purposes.

# VI
# DISTRIBUTION AND RETAILING

# 1. THE BEVERAGE ALCOHOL INDUSTRY IN BRITISH COLUMBIA

## Structure of the Industry

The beverage alcohol industry in British Columbia consists of seven sectors:

- grape growers
- wineries
- breweries
- distilleries
- other related industries
- retailers
- licensees

## Grape Growers

There are approximately 200 grape growers in British Columbia, almost all of which are located in the Okanagan/Similkameen region. Total full-time employment is about 300, with a further 2,000 part-time seasonal workers.

Total acreage under cultivation is approximately 3,200 acres producing 13,000 tons of grapes worth roughly $8 million at the farm gate.

## Wineries

There are eight commercial wineries in B.C. and eight estate wineries. Estate wineries are small operations which are limited to an annual production volume of 30,000 gallons, all of which must be produced form B.C. grapes. The commercial wineries produce wine and cider from B.C. and imported materials and account for over 98 percent of provincial production. B.C. wineries employ approximately 350 people and have annual shipments of about $75 million.

## Breweries

B.C.'s five commercial breweries account for over 99 percent of beer production. There are also five cottage breweries that sell to local markets and four brewpubs which produce beer for their own on-premise customers. Total employment in the brewing industry is about 1,500, including the distribution company owned by the three major breweries. The value of annual shipments is about $210 million.

## Distilleries

There are four distillers in the province, two of which are relatively small and are associated with wineries. The majority of product bottled in B.C. plants is shipped in bulk from eastern Canada or is imported. Total employment is about 350 and annual shipments are valued at approximately $50 million.

## Other Related Industries

The beverage alcohol industry is important to the glass, cardboard and advertising industries. B.C. has the only commercial hop farm in Canada; the farm supplies part of the brewing industry's requirements.

## Retailers

The Liquor Distribution Branch is the largest alcohol retailer in the province, with 216 stores and annual sales to counter customers and licensees of about $940 million. There are also 259 private retailers, including Rural Agency Stores, Licensee Retail Stores and Industry Agency Stores.

Rural Agency Stores are private retail outlets (usually grocery stores) located in small communities that are licensed by the LDB to sell all liquor products. There are 128 outlets with a combined counter sales volume of $21 million.

Licensee Retail Stores are outlets associated with a hotel or neighbourhood pub that are licensed to sell B.C. beer and B.C. winery products to counter customers. There are currently 80 Licensee Retail Stores operating and over 30 more planned to open in the near future. Retail sales to counter customers for the current fiscal year should exceed $60 million.

Industry Agency Stores are retail outlets operated by B.C. beer, wine and spirit producers. Beer and spirit producers may operate a store at their production facility which sells their own products. B.C. wine producers may operate both on-site and off-site wine stores. Off-site stores sell the product of one winery or a combination of wineries. They can be stand-alone outlets or they may be associated with another business such as a delicatessen or department store. There are currently 47 Industry Agency Stores with more in the planning stage. Annual retail sales to counter customers and licensees is approximately $10 million.

## Licensees

There are approximately 5,800 establishments licensed to sell alcoholic beverages to on-premise customers. A detailed breakdown by licensee type may be found in the Liquor Control and Licensing Section. The total number of jobs related to the selling of alcohol to the public probably exceeds 10,000. Alcohol sales by licensees is approximately $1.3 billion annually.

## Distribution of Liquor in British Columbia

The majority of liquor product is distributed to retail outlets by the LDB, although there are a number of private distribution systems.

LDB stores receive all products except B.C. beer from the LDB's two warehouses in Vancouver and Kamloops.

The distribution of B.C. beer produced by the three major breweries — Labatts, Molson and Carling O'Keefe — is shared between the individual breweries and Pacific Brewers Distributors, a distribution company owned jointly by the three. B.C. beer is shipped directly to LDB stores by the breweries.

Licensees pick up almost all their products at LDB stores with the exception of B.C. beer. Most B.C. beer is shipped directly to licensees by breweries and a small amount of B.C. winery product is picked up by licensees at Industry Agency Stores.

Licensee Retail Stores receive all their product directly from B.C. breweries and wineries. Industry Agency Stores also receive their product directly from B.C. producers.

## Existing Marketing Treatment of the British Columbia Beverage Alcohol Industry

British Columbia-produced liquor products are given preferred treatment in the form of Liquor Distribution Branch markup, listing practices, distribution channels, and retailing outlets. We will examine in turn the preferential treatment extended to the wine grape growing and winery sector, the brewing sector and the distilling sector.

## The Wine Grape Growing and Winery Sector

The elements that constitute the province's recognition of the grape and winery sector in British Columbia form the most complex regime and are collectively known as the British Columbia Wine and Grape Policy.

Contractual commitments exist between the commercial wineries and grape growers to accept the total wine grape harvest from the licensed growers at prices set by the Grape Marketing Board.

Commercial wineries benefit from LDB policies that provide:

— a markup differential of 60 percent relative to imported wines (domestic 50 percent, impored 110 percent);

— restriction of imported wines to a maximum package size of 1.5 litres; and

— a guaranteed number of general listings to a maximum of 66, without quota requirements, for most domestic commercial wineries;

— an allocation of approximately 25 percent of LDB store shelf space.

In LDB stores, estate wines are marked up at 15 percent.

Both commercial and estate wineries are allowed to establish off-site winery stores. Licensee Retail Stores are also permitted to sell British Columbia wines.

## The Brewing Sector

In the Province of British Columbia, breweries enjoy:

— exclusive distribution of draught beer;

— exclusive distribution of packaged beer through Licensee Retail Stores;

— a large number of listings (20 - 25 per major brewery).

A markup differential of 33 percent, relative to imports, (domestic 50 percent, imported 83 percent) is designed to compensate the LDB for its distribution costs on imported beer and costs of handling and disposing of imported-beer empty containers. Domestic brewers distribute their own products.

## The Distilling Sector

Rationalization of production of distilled spirits across Canada has largely resulted in British Columbia-licensed distillers becoming bottling plants for product imported in bulk from central Canada or from foreign sources. The distilled spirits industry in British Columbia does not enjoy marketing advantages over products from other provinces. Domestic spirits from all Canadian sources are marked up 5 percent less than imported spirits.

# 2. PRIVATIZATION

One of the most important questions before this committee is whether or not to encourage further privatization of liquor retailing. Many people, firms and organizations addressed this topic, with the majority recommending caution.

The Import Vintners and Spirits Association and a few other groups and individuals called for complete privatization of the retail function. The Retail Wine Committee, composed of B.C. commercial wineries and major food retailers, asked that B.C. wine be made available in food stores. They presented surveys of their customers which they felt indicated strong support for their request.

The main British Columbia brewers voiced their support for the present system of LDB and licensee retail stores. They argued, however, that if wine were made available in food stores, it would then be necessary to accord the same treatment to beer for competitive reasons. They were concerned that privatization would significantly increase distribution costs which would ultimately be passed along to the consumer.

Hotel and pub operators, alcoholism treatment groups, unions, most municipalities, some liquor agents and suppliers as well as most private citizens recommended no further privatization or, indeed, a return to a government-operated absolute monopoly.

Many submissions indicated that increased availability of liquor is linked with increased consumption. We heard this from professionals, police forces, many municipalities and numerous individuals. Police forces felt that they would need increased resources and manpower if availability were significantly increased. In other words, we were urged to conclude that if there were more liquor outlets, alcohol-related problems would increase.

Research, for the most part, appeared to support this conclusion. A study done by Brian Rush, et al., through the Addiction Research Foundation, concluded that government policies restricting the retail availability of alcoholic beverages reduce the per capita rates of alcohol consumption. Similar research by Scott MacDonald reached the same conclusion. His data indicates that when alcohol is made more accessible, more alcoholic beverages are consumed. He also concludes that heavier drinkers are likely to be affected more by availability increases.

For the most part the literature suggests there is a relationship between the increase in the number of retail outlets and increased consumption. This relationship is less clear concerning the number of licensee outlets.

After carefully considering all the submissions, we have concluded that there may be a relationship between the availability of alcohol and the rate of consumption. Accordingly, we are persuaded there should be restrictions

upon the ease with which alcohol is available in the retail market.

It was clear during the hearings and in the letters and submissions that the majority were opposed to privatization and its inherent increase in availability of liquor.

With the foregoing as background, we considered whether to allow beverage alcohol sales in food stores. After carefully considering the merits of the arguments, the committee is persuaded that such significant increases in availability would be unwise. We do not believe that privatization is strongly supported by the majority of British Columbians and we are concerned that such a move would lead to increased consumption and abuse, particularly among the "populations at risk" to which we referred earlier. Furthermore, upon inspection, it became clear the present system of retailing does or could produce quite acceptable levels of availability and customer convenience. For the same reasons we do not support the sale of beverage alcohol in drug, department or general merchandise stores.

# RECOMMENDATION

15. The current system of liquor retailing, with modification, should be maintained. Beverage alcohol should not be retailed in food, drug, department or general merchandise stores beyond the existing rural agency store program.

Having determined that the present retailing model provides an adequete base upon which to build an improved retail environment, we next considered changes to the components of the existing mode. Specifically these are Licensee Retail Stores, Wine Shops, Rural Agency Stores and LDB Stores.

## 3. LICENSEE RETAIL STORES

Licensee retail stores (LRS) are currently approved as extensions of hotel, neighbourhood or marine pubs' off-sales privileges. They sell B.C.-produced beer, cider, wine and coolers, and have the ability to freely price above cost. Product is usually available chilled.

Some testimony was heard suggesting that the LRS program be terminated. However, the program has been strongly supported by the operators and suppliers, has been well accepted by the public, and has given little indication of any serious problems with it. These outlets provide a useful consumer service and support hotels and pubs in their role as important tourist facilities.

Many LRS operators and some individuals and suppliers requested that imported products be sold in licensee retail stores.

The committee considered a request from many operators for an increase in the applicable discount rate for all products, raising it from the current 10 percent to 15 percent. The present 10 percent discount exceeds LDB costs to sell those same products. It is, therefore, difficult to justify increases in the discount rate.

# RECOMMENDATIONS

16. Import beer, import wine and all cooler products should be available for sale in licensee retail stores. It is recognized that the government must give careful consideration to this and other recommendations in the report in light of the negotiations currently underway between Canada and its trading partners.
17. The discount on products to LRS operators shold be 10 percent. Additionally, all products except domestic commercial beer may be obtained by the LRS from a designated LDB liquor store.

These changes improve the LRS programs to the benefit of everyone concerned.

The addition of imports provides equality of opportunity between import and domestic beer and wine which will benefit the import producers and agents.

Domestic wineries are expected to benefit because the broader assortment of wines should enable an LRS to attract more wine customers. This is expected to increase sales of domestic wine. Furthermore, domestic wineries will benefit from the fact that their product will now be available to the LRS operator from his regular LDB outlet, thus relieving the wineries of onerous freight costs.

The LRS operators will benefit from the increase in sales. Finally, and most importantly, the public will benefit directly from the broader merchandise assortments and indirectly from the strengthening of a retail model that provides convenient customer service.

### Drive-Thrus

A few LRSs currently have "drive-thru" facilities. The committee heard, and agrees with, suggestions that such facilities no longer be permitted. In our view, "drive-thrus" do not provide optimum conditions for checking customer identification and sobriety. It is appropriate to act now while there are only three such outlets and before drive-thrus became a major problem.

# RECOMMENDATION

18. "Drive-thru" outlets currently in existence at licensee retail stores should be closed and no future LRS should have such facilities.

### Standards

During the public hearings, we became aware of many very poorly maintained licensed establishments. For example, there were places that were extremely dirty and lacked adequate washroom facilities. We feel that an LRS should not be granted to any establishment, whether a hotel, neighbourhood or marine pub, that does not meet specified minimum standards as developed by the LCLB.

# RECOMMENDATION

19. The LCLB should develop minimum operating standards and a strict inspection and enforcement program for LRSs.

In our view, LRSs should be issued a license separate from the one issued to the adjoining hotel, neighbourhood

or marine pub. It should have its own annual fee to cover the substantial administrative and enforcement costs incurred by the LCLB and LDB in regulating these stores. We believe a separate license category is appropriate because it recognizes the LRS as an entity with its own rules and regulations that differ from the licensed premises of which it is a part. We also believe local government approval should be required prior to the approval of an LRS.

# RECOMMENDATION

20. There should be a separate license class for licensee retail stores. The license would require prior municipal or local government approval.

## 4. WINE SHOPS

Most British Columbia beverage alcohol producers operate retail stores located at their production facilities. These "on-site" agency stores were established to facilitate plant tours and to allow producers to showcase products produced in British Columbia. These stores continue to operate well and serve their intended purpose.

Estate and commercial wineries are also permitted to operate stores away from their production facilities. There are currently 30 such "off-site" stores, of which half are freestanding, self-contained wine shops; the others share premises with other non-liquor retail establishments.

The estate wineries' off-site stores are an important part of their overall marketing programs. Revenue to the LDB is minimal but that is in keeping with the markup policy applicable to estate wines.

The commercial wineries' off-site stores are also a growing part of their marketing programs. Most are established as consignment agency stores. Thus the winery acts as agent for the LDB by operating a store selling branched-owned product to the public and to licensees. The winery is paid a commission of 23.3 percent on counter sales and 10 percent on licensee sales. Typically, the wineries subcontract with an entrepreneur who provides the store space, management and staff, in return for a fee.

We heard from some members of the public who wanted freestanding, privately operated wine shops that offered a broader selection than that available in existing wine shops. These were described as wine boutiques or premium wine shops.

The committee feels that a limited number of such shops would be complimentary to the LDB store system and would enable it to offer the consumer products not available in LDB stores.

These stores would be self-contained, rather than be part of other businesses, but be free to carry complementary and related product lines other than food products.

The wine shop operators would place special orders through the facilities of the Liquor Distribution Branch's Purchasing Department and take delivery immediately upon the branch's receipt of merchandise from the supplier. LDB-listed product would be obtained from a designated LDB store. The model should be designed to grant the operators a 15 percent discount or commission based on the LDB retail price, and permit free pricing of product.

By greatly expanding the product line to include all domestic wineries' and any available import wine, we believe average sales will be higher, total sales will be higher, and a lower discount or commission would therefore be reasonable.

# RECOMMENDATIONS

21. A new model for privately owned freestanding wine shops should be designed. It should replace the existing producer-operated model and provide an opportunity for new operators to get into the wine retail business. The shops should sell doemstic wines and may also offer import wines and be permitted and encouraged to sell products not presently available in LDB stores. The appropriate discount rate should be 15 percent.
22. Existing off-site winery stores located in other business establishments should be phased out. Existing freestanding stores shold be converted to the new model and new investors should be invited to apply for rights to operate wine stores.

There was considerable criticism at the public hearings of the experiment that allowed beverage alcohol to be sold in drug stores. The public felt strongly that such stores were not an appropriate retail forum for the sale of beverage alcohol. As well, since we have recommended a new wine shop model and we have not recommended wine be available in drug stores, it is appropriate that this experiment should be concluded at the end of the test phase.

# RECOMMENDATION

23. Beverage alcohol should not be sold in drug stores. The existing trail store shold be phased out.

## 5. RURAL AGENCY STORES

Rural agency stores are presently located in approximately 130 communities throughout British Columbia. These outlets are typically operated as part of existing grocery or general stores in communities where sales volume does not justify an LDB store.

This program has operated very well and provides a needed service to residents of small and remote communities. Presentations at the hearings, however, pointed out problems that can develop when the local communities are not given sufficient notice of government's intent to establish such an outlet. This was a specific concern to certain Native communities. In our view, residents in these rural areas deserve the opportunity to comment on a potential rural agency store opening. We understand thd LDB provides the opportunity in most cases, but it should be provided in every instance.

Having rejected liquor sales in grocery stores, this committee feels that as an exception to that policy, the rural agency program should be very carefully administered. It must not become simply a means to introduce liquor retailing in grocery stores in urban and semi-urban areas.

# RECOMMENDATION

**24. The Liquor Distribution Branch should make reasonable effort to advise residents that a rural agency store may be opening in their community by way of notices in the applicant's store and advertisements in the appropriate local newspapers. This will allow interested parties — including residents, local governments, interest groups, populations at risk and any others — an opportunity to make their feelings known before a decision is made on whether a rural agency store should be opened. The LDB should also consider the other liquor outlets already in the community as well as the distance to the nearest liquor or rural agency store.**

A few rural agency operators asked for either an increase in commissions or a freight subsidy. Considering that liquor sales are intended to be a sideline to an existing business, we believe the commission rates paid to rural agents are, by and large, sufficient and appropriate.

# RECOMMENDATION

**25. The commission paid to rural agency store operators should continue to be 10 percent.**

The committee also heard requests that rural agents be permitted to service licensees. Licensee orders can be filled very efficiently by government stores. To permit rural agents to fill these orders would reduce government revenues by the 10 percent commission that would now be payable to the rural agency store operator. We do not think this is economically justifiable; therefore, no change in policy is recommended.

## 6. MODIFYING THE LIQUOR DISTRIBUTION BRANCH

Throughout the hearings, we were frequently told the Liquor Distribution Branch is a well managed, efficient operation that is providing excellent customer service and good product selection. In many of the communities where we held hearings, the committee visited the LDB stores and were very favourably impressed with the range of products available. We also saw many instances of good customer service.

We did receive some suggestions as to how the LDB could be improved. Indeed, many of these suggestions came from the BCGEU.

### STORE AND STAFF APPEARANCE

#### Uniforms

The Branch has done a great deal to improve customer service over the past several years. In our view, proper store uniforms are synonymous with modern, progressive retailers who are concerned with customer service. The introduction of uniform shirts was a first step, but does not go far enough. The branch should introduce a full store-employee uniform program.

Given the excellent presentations from the BCGEU on this issue, we believe the employee would welcome this opportunity to improve their on the job appearance and that uniforms would indicate a renewed, stronger commitment to customer service.

# RECOMMENDATION

**26. The LDB should introduce a full-uniform program for store employees.**

### CUSTOMER RELATIONS

In addition, the branch should take steps to offer a strong customer relations training program to its staff. Historically, branch employees were prohibited from making any product recommendations to customers; control was the most important aspect of their job. Later, self service stores were introduced but the prohibition on product recommendation stayed. This has changed in recent years, but there is still a need to develop a normal retailers approach of talking to customers about products, identifying the customers needs and helping the customer find products that meet those needs.

The cornerstone of any retailing activity is providing excellent customer service. Customers should be treated with respect by employees knowledgeable in the products they are offering and concerned about meeting the specific needs of the customer. It is only through proper training, which would include all of these elements, that further improvement in this area will be achieved.

A format should be developed to ensure all store employees, whether full or part time, participate in this training program. This program should be considered a priority.

The branch also supplies product and related information to its customers through its product guide, newsletter as well as making supplier information available on pamphlet racks in the stores. Customers felt even more information could be supplied to help them better understand the range of products available. We agree and recommend the branch explore avenues to achieve this goal.

# RECOMMENDATIONS

**27. The LDB should enhance its customer relations program for all staff in such areas as product knowledge and customer service.**

**28. Consistent with greater emphasis on customer relations more product knowledge and information material should be made available to customers.**

In this same vein, we became aware that other provinces offer product tastings of premium wines. This allows the customer to make better purchase decisions and generally follows accepted retail practices in this segment of the market. The branch presently allows suppliers, at their expense, to offer any product for sampling. In general, the products chosen are high volume items.

We are suggesting a premium wine tasting program, offered by the branch with the customer paying a nominal

charge to cover the cost of the sample.

## RECOMMENDATION

29. An expanded in-store product tasting program, which would include premium wines, should be implemented.

### Store Facilities

Part of providing a good retail environment is having a good physical facility in which customers are able to do their shopping. The branch has made significant progress in this area as is evident in the newer stores opened in the last few years. High-quality facilities that are conducive to good product selection, dispaly and customer shopping convenience. There are, however, facilities that do not meet these standards and the branch should be encouraged to continue replacing or renovating these stores.

The branch should consider opening small, convenience liquor stores in urban areas. There are markets where retail space is very difficult to obtain. The branch may not have access in such areas to space sufficient to open a full service store but can obtain smaller retail space. This would allow the branch to at least provide an adequate level of service in a market that otherwise is not going to get served. A decision to open such stores should be done on a "business case" or cost effective basis.

## RECOMMENDATION

30. The LDB should continue with its objective to bring stores up to modern retailing standards through renovation or replacement.

### Hours of Operation

Presenters in a few communities, said liquor stores were not open at convenient times. In general, we have noted a move to match the hours of the retail community in which the liquor store operates. We encourage the branch to continue this practice. We do not feel, however, that LDB liquor stores need to open on Sundays, as most markets will be served by an LRS, wine shop or rural agency store.

## RECOMMENDATION

31. The LDB should generally match the store hours of the retail community it operates within, but Sunday openings are not recommended.

## PRODUCT SELECTION AND PRICING

### Low Alcohol Beer, Cider and Cooler Mark Up

Over the last several years, we have seen a reduction in consumption rates. This evident in statistics reported in the consumption chapter of our report. To reiterate, however, per capita consumption of absolute alcohol in British Columbia decreased from 10.10 litres in 1981-82 to 8.65 litres in 1985-86.

This is partly due, we believe, to an increased concern for a healthy lifestyle which has resulted in many preferring light or lower alcohol beer, cider and coolers. This is a positive trend toward moderation and responsibility which should be encouraged. The Liquor Distribution Branch is in a unique position to do this through attractive pricing of beer between 1 and 3 percent alcohol by volume. A reduced mark up would give these products a reduced retail price and would, in our opinion, make it more attractive for more suppliers to offer such products. Indeed, the suppliers should be encouraged to produce low alcohol beer, cider and coolers. In our view, the consumers want these products.

## RECOMMENDATION

32. Low alcohol beer, cider and cooler (1 - 3 percent alcohol/volume) should be more available at reasonable prices. To achieve this it is recommended that the LDB pricing system be adjusted and suppliers be encouraged to offer such low alcohol products at prices below regular prices.

### Premium Wine Selection and Pricing

A few presenters expressed concern about the range of products available in B.C. liquor stores, in particular import wines. These individuals were primarily concerned with premium products. In general, we believe the branch performs its responsibility to offer a wide range of products from all over the world quite well. There presently are over 2,500 products available from 48 different countries in the B.C. liquor store system. It is difficult to believe that the majority of British Columbians are not able to get the products they prefer.

We must recognize, however, that there are people and licensees who have quite specific needs. They are looking for products not generally available in our liquor stores. The branch, therefore, should continue seeking rare and premium wines as well as expanding its portfolio from countries presently under-represented.

We are satisfied, therefore, that there is room for improvement in the product selection of premium wines. We have attempted to address part of this need in our recommendation on private wine shops; however; we do think the branch should also participate actively in this segment of the market.

Not all products in the branch's portfolio are available in all liquor stores. Indeed, only a few stores carry the full product line. The branch has been experimenting with a new shelf layout that adds between 300 - 400 products to a store's selection. These are mainly specialty items. The branch should expand this approach throughout the store system which will benefit suppliers as well as customers throughout the province.

## RECOMMENDATION

33. The LDB should achieve greater product selection, particularly wine selection.

Wine clubs and import agents pointed out premium wine prices in British Columbia are out of step with those in neighbouring jurisdictions, to the detriment of sales in B.C. It was suggested that lower prices in this area of the market would recover the rather significant amount of sales that are currently lost to retailers outside the province.

If the markup applied to the landed cost of premium wines (being the cost to the LDB) were reduced, sales could be recovered and net revenue in this segment of the market would likely improve or, at least, remain the same.

We believe this could be achieved by keeping the 110 percent markup on the first $6.40 per 750 ml. of landed cost but reducing it to 25 percent on that portion of the landed cost above $6.40 per 750 ml. The following examples illustrate the net effect on the retail price:

| PRESENT RETAIL PRICE | NEW RETAIL PRICE |
|---|---|
| $20.00 | $17.75 |
| 25.00 | 20.70 |
| 30.00 | 23.95 |
| 35.00 | 27.40 |
| 40.00 | 31.20 |

# RECOMMENDATION

34. The markup on table wines should be 110 percent on the landed cost up to $6.40 per 750 ml. and 25 percent markup on that portion of the landed costs exceeding $6.40 per 750 ml. This would reduce the price of table wines currently retailing for greater than $15.

## Product Listings

Many agents expressed reservations about the methods the branch uses to choose its listings. They feel the listing process does not allow for agent input nor does it take into account the marketing support the agents may be prepared to offer.

Our review of the listing procedure suggests it is basically an impartial, objective business approach to determining which products should be made available. We do think that greater flexibility would be of benefit to not only the branch, but also the sales agent and the customer. With that in mind, as noted above the committee feels the branch should move to broaden its product selection.

## Import Draft Beer

Consumers and licensees have frequently asked that import draft beer be made available in British Columbia. Indeed, we were told import draft beer is available in most provinces.

Examination of the market activity in other provinces suggests that this product will not have a significant impact on the domestic beer market. Import draft beer availability is strongest in Ontario where, we are told, it represented 0.5 percent of the total draft beer market in 1986.

We believe the wishes of the consumer and licensees should be met by changes in government policy to allow the importation of draft beer.

However, in keeping with the present policies applicable to commercial brewers, the supplier must be prepared to deliver the product to any licensed establishment in the province at a uniform price.

# RECOMMENDATION

35. Government policy should be amended to allow import draft beer.

## Brewpubs

Brewpubs are cottage or "micro" breweries operated in conjunction with a neighbourhood pub licensed under the LIQUOR CONTROL AND LICENSING ACT. The sole market for the brewery's products is draft beer sold by the glass in their licensed premises. They are not presently available for off-premise consumption in bottles, kegs or any other containers.

The committee heard presentations seeking a change in the policy which would permit brewpubs to bottle their beer for "off-sales' from their pub.

# RECOMMENDATION

36. Brewpubs should be able to package their own production for "off-sale" to the general public at their own site. Normal LDB listing and markup procedures will apply and package size should be limited to a maximum of 20 litres.

## Coolers

Coolers were first introduced in 1984, starting with wine-based coolers and gradually expanding to include coolers with different liquor product bases. With the gradual proliferation of these products, it became necessary to review the markup rate. In May, 1986, a markup policy for coolers was implemented, which differentiated between the different alcoholic product bases.

We heard a number of submissions suggesting that all coolers should have the same markup regardless of the type of base. This issue was of particular concern to the distillers, whose spirit coolers have a markup 13 percentage points higher than wine coolers.

# RECOMMENDATION

37. The markup for all domestic spirit based coolers should be 60 percent of landed cost.

# VII
# LIQUOR CONTROL AND LICENSING

# 1. LICENSING AND CONTROL

Earlier, we noted the five main areas of responsibility of the Liquor Control and Licensing Branch.

The committee received submissions on all of these responsibilities, but one suggestion was heard repeatedly; namely the need for the LCLB to publish guidelines and policies. It was suggested that LCLB decisions are sometimes based on policy positions known only to branch personnel. The Ombudsman of British Columbia recommended that such information be made available to all licensees and any other persons.

We are not recommending that the Branch's discretion to decide policy be removed by placing all policies in the Act and regulations. To do so would leave the Branch unable to respond to a changing licensing environment. We do, however, recommend that existing policy guidelines be written, issued and updated as required.

# RECOMMENDATION

38. To assist in the administration, licensing and enforcement of liquor laws the LCLB should continue to develop and publish concise policies and procedures.

## Fees and Licences

It is government policy that fees and licences which involve inspections and licensing designed to ensure the safety or health of the general public be set so that the administrative costs to government for providing the services will be fully recovered. LCLB fees have remained static since 1980 and no longer generate the level of revenue needed to cover the Branch's administrative costs.

# RECOMMENDATION

39. To pay for the additional costs of administration and enforcement, there should be a review of existing fees and the implementation of new fees where required.

## Licensing

The Liquor Control and Licensing Branch is responsible for issuing liquor licences. The Act provides for seven distinct licence types. There are two underlying reasons for the existence of more than one licence category:

(1) The nature of the establishment varies. For example, a sports stadium requires different rules than does a neighbourhood pub.

(2) The predominant function of the establishment varies. For example, a dining establishment has a different predominant function than a lounge.

The system of seven licence types is considerably simpler than that found in many other jurisdictions. Alberta, for instance, has 16.

At the fiscal year end March 31, 1987, there were 5,269 licensed establishments within the province. Restaurants were the overwhelming majority, comprising 64 percent of all licensees, as noted in the table below.

**LIQUOR LICENCES AS OF MARCH 31, 1987**

| | | Total Licences at fiscal year end 1986/87 |
|---|---|---|
| "A" Licences - | Public House<br>"A" Pub<br>Combined Pub<br>Lounge<br>Mess | 1,520 |
| "B" Licences - | Sandwich Shop<br>Beer, Wine & Liqueurs<br>Dining Room<br>Dining Lounge<br>Dining Lounge/ Holding Area | 3,277 |
| "C" Licences - | Cabaret | 207 |
| "D" Licences - | Neighbourhood Public House | 232 |
| "E" Licences - | Sports Stadium | 14 |
| "F" Licences - | Marine Public House | 19 |
| **TOTAL** | | 5,269 |

The committee noticed a blurring of the distinctions between the licence classes. It is not uncommon to find restaurants operating little differently than neighbourhood pubs, or "A" licence pubs operating as cabarets, and so on. To some extent such a blurring is probably inevitable; if a restaurateur observes the successful operation of a local neighbourhood pub, he may be tempted to operate in a similar manner. Similarly, a hotelier may see the need for a cabaret-style pub within his establishment.

In some situations it has caused no real problem for the community or for other licensees but in others it has. Later in this report we will recommend changes to the present system to counter the abuses and inequities we found.

The committee was favourably impressed with the present licence class system. We did hear, however, some recommendations for changes. The B.C. and Yukon Hotels' Association voiced its concern over the proliferation of liquor licences. It argued that there are too many licences, and that unless the growth is stopped or slowed, the industry as a whole will suffer. We share the concern but note that the number of licensed establishments has dropped slightly in the last year.

Some have argued that in a free-market economy the government should not regulate the number of liquor licences. They say that if an individual wishes to open a licensed establishment the market should decide if he succeeds or fails. In most businesses we would agree, but not in the beverage alcohol business. If a community is overlicensed, some licensees desperate for revenue to remain financially solvent may serve minors, continue service to intoxicated patrons, overcrowd, etc. The licensee's problem then becomes a community problem. We feel the LCLB has a responsibility to control the number of licences issued by category, not for the purposes of limiting competition, but to minimize the social and health costs arising from alcohol abuse.

# RECOMMENDATION

40. The branch should take into consideration population trends, community needs and enforcement capabilities within the community in determining if a new liquor licence should be issued.

Most licensed establishments are well-run, well-maintained operations providing an acceptable level of comfort and cleanliness. Unfortunately, some licensees are not operating to this standard and are in contravention of the LIQUOR CONTROL AND LICENSING ACT. We became aware of such establishments are responsible for a disproportionate number of enforcement violations and the attendant social problems.

# RECOMMENDATION

41. The LCLB should act to ensure that licensees operating below acceptable minimum standards renovate or improve their premises or risk facing suspension or cancellation of their liquor licence.

## Improved Standards

The committee received submissions from hotels, restaurants, cabarets, neighbourhood pubs and the general public regarding improvements in the regulation of the various licence types. The present licensing system is working well and should be maintained, but with a number of changes and improvements.

## Food and Liquor

Research has shown that the ingestion of food slows the rate at which alcohol is absorbed into the bloodstream, resulting in lower blood alcohol concentrations (BAC) for a given level of alcohol intake. Moreover, drinking with meals is associated with lower levels of problem behaviour not only because of a lower BAC but also because people who are eating tend to drink more slowly. Thus, we believe food should be available in all licensed establishments.

# RECOMMENDATION

42. All licensed establishments such as neighbourhood and hotel pubs and cabarets should be required to have food available.

Many restaurants requested the repeal of the regulation requiring the service of food with liquor. They suggested that liquor be served without food in the whole restaurant, or, failing that, in a designated lounge. The committee, however, is concerned about an increase in the number of potential drinking seats which might adversely affect other licence classes and the community. Restaurants are the largest licence class and a change in this regulation could have a drastic impact. We believe that restaurants should have food as their focus with liquor as a complement, and that, therefore, the present regulations are appropriate. We do recognize, however, that there are special events, such as stand-up receptions, and wine tasting functions conducted and hosted by those in the wine business, that could be held in restaurants, and for these events the regulations should allow that applications may be made to the LCLB for permission to serve liquor without food.

# RECOMMENDATION

43. Restaurants should continue to be required to serve food with drinks, except for special occasions approved by the general manager of the LCLB.

A change to the restaurant licence requirements recommended to us is the introduction of a food/beverage ratio such as 60 percent food, 40 percent liquor. One submission on behalf of several restaurants, demonstrated that this ratio is realistic. The overwhelming number of restaurants are bona fide eating establishments that will have no difficulty meeting this ratio. We do not recommend that restaurants report their ratios on a monthly or quarterly basis. Instead, we suggest that the LCLB be empowered to request audited food/beverage ratio statements from any restaurant that appears to be in violation of the required ratio and that strong measures be taken to ensure enforcement of this provision. The intent of this recommendation is to deal with those restaurants that are not operating as bona fide restaurants. As mentioned earlier, a small but significant minority of restaurants operate in a manner little different from neighbourhood pubs. This is unfair to the neighbourhood because an applicant which proposes to open a neighbourhood pub must obtain the consent of a clear majority of the neighbouring residents. This is not the case when an applicant proposes to open a licensed restaurant.

# RECOMMENDATION

44. To ensure an appropriate balance between liquor and food sales a 60/40 food-to-liquor ratio should be established for restaurants, and stronger measures should be taken against restaurants who are operating pseudo-pubs.

## Floor Prices

Licensees are permitted, at present, to sell drinks at any price and can increase the price of each product throughout the daily hours of operation. Once raised, the price cannot drop again. This system was introduced to stop "happy hours" where liquor prices would decrease at a specific time of the day, primarily in the late afternoon and early evening, then be raised later to their normal price.

This policy does not stop a pub, for example, from offering drinks below cost during the first hours of operation to induce customers to their premises nor stop an establishment from selling one particular type of liquor below cost throughout their hours of operation.

These promotions, once introduced in a community, often lead to increased price competition among licensees. We are concerned about the excessive consumption which may result and the social problems that these promotions may engender.

As well, licensees should not be able to advertise drink prices, either directly or by inference, nor should they

advertise competitions, contests and give-aways. We feel that these promotions also encourage over-consumption.

# RECOMMENDATION

45. Liquor should not be sold at a price below the cost of the product to the licensee and the LCLB should maintain its regulatory control over the manner in which licensees may advertise including the prohibition regarding prices, competitions, give-aways and promotions.

## Seating Capacities

Cabarets are restricted to a capacity of 225 persons and to hours of operation between 7:00 p.m. to 2:00 a.m. We were told that a larger capacity would help cabarets in booking "name" entertainment at a reasonable cost to patrons. Several operators cited actual costs associated with this class of entertainment which caused us to conclude it is not economically viable for cabarets to book these acts without larger audiences.

The committee feels that a larger maximum capacity is warranted and recommends an increase to 350 persons. We feel that the consumer will be the beneficiary of this recommendation. We also recommend that for special events approved by the LCLB, cabarets should be allowed to open earlier for special events and to increase their seating beyond 350 to the Fire Commissioner's maximum. The general manager would, of course, retain his full discretion to limit capacity or attach conditions to his approval.

# RECOMMENDATION

46. Cabaret capacity should be increased to a maximum of 350 persons except for special events with prior approval of the LCLB when capacity may rise to the Fire Commissioner's maximum. Earlier openings may be permitted for limited special events.

We heard from some licensees regarding patio seating. Present regulations require the closing of one interior seat for every patio seat opened. This appears to be somewhat restrictive.

No matter what the licence class, we recommend the existing licence be endorsed to recognize the approval of patio seating and that the licensee pay an additional annual fee for this privilege.

# RECOMMENDATION

47. The first 20 seats of approved patio seating at neighbourhood pubs, marine pubs and class A licensees should not continue to effect allowable seating indoors. Use of patio seating beyond the 20 seats would continue to affect allowable indoor seating.

## "G" Licences

The "G" licences were issued to cover the unique licensing requirements of Expo '86. Many of the LIQUOR CONTROL AND LICENSING ACT regulations were waived during this period, including those concerning capacity, minors in licensed premises and the service of liquor with food in restaurant facilities. At the conclusion of Expo, the licences were not terminated as planned but were extended until September 30, 1987.

The committee recommends that the Expo site "G" licences be cancelled. These licences were issued only for Expo 86, and they represent unfair competition to other licensees.

# RECOMMENDATION

48. The "G" licence category was introduced for Expo '86 and should be eliminated. All "G" licences should be cancelled as of September 30, 1987.

## Off Premises Sales

Off premises sales were raised as an issue by the representatives of several police detachments and municipalities. Off premises sales of beer, cider and wine coolers are allowed in qualifying hotels and neighbourhood and marine pubs during the period the licensed establishment is open for the sale of liquor and ½ hour thereafter. In our opinion these sales provide a useful service, particularly in small towns or rural areas that are some distance from a liquor store or a rural agency store.

Unfortunately, overconsumption and its attendant social problems have sometimes accompanied off-sales. It is not uncommon for patrons to purchase off-sales product at closing time to "carry on the party". As well, we do not support the advertising of off-sales service. In Victoria, off-sales contributed to late-night street drinking and rowdiness that led the LCLB to restrict off-sale hours in Victoria to an 11:00 p.m. closing. Local police report a substantial decrease in enforcement problems since the restriction was imposed.

# RECOMMENDATION

49. All licensee sales of product for off-premise consumption should be restricted to an 11:00 p.m. closing province-wide.

Off premises sales privileges are an extension of the existing licence; the licensee must apply for the privilege but pays no additional fee. The government incurs administrative and enforcement costs associated with these sales. In addition, abuse of these off-sales privileges should result in suspension or cancellation of the privilege.

# RECOMMENDATION

50. Qualified licensees who are able to sell products for off-premise consumption should do so through an endorsement on their licence which would be subject to a separate annual fee and subject to administrative sanction if abused.

The "A" licence class applies to many types of establishments including hotel lounges, hotel pubs,

recreation centre lounges, clubs, etc. Hotels are the most significant group within the class with many operating several licence types including pubs, lounges and restaurants. There are more than 500 hotels in British Columbia.

The hotels of B.C. make a significant contribution to their communities and to provincial tourism.

We are concerned, however, that some hotels, approximately 30 percent of the 500 are hotels in name only. They do not provide rooms, or else the rooms provided are typical of rooming houses. Their remaining or only service to the public is as a drinking establishment. For this reason, the LCLB should decide whether these establishments should continue to qualify for licensing as a hotel. It does not seem appropriate to have an establishment hold a licence on the basis of being a hotel when, in fact, it is not functioning as a hotel.

# RECOMMENDATION

51. The LCLB should study the issue of non-conforming hotels to determine if they should continue qualify for licensing as a hotel.

## Conditional Licences

The committee recognized the need for a special type of licensing that falls between a licensed establishment and a special occasion licence. A hunting or fishing camp, for example, would not normally meet most standards required of a licensed establishment nor would it meet the criteria of a special occasion licence because it is an ongoing seasonal operation. In a similar vein, associations meeting twice per week would not qualify for an SOL and may not wish to operate as an "A" club licensee.

# RECOMMENDATION

52. The LCLB should be granted the authority to issue qualified licences for conditional circumstances to cover situations such as hunting and fishing camps.

## 2. POSSESSION OF LIQUOR BY MINORS

Presentations made by a large number of individuals and organizations identified the consumption of liquor by minors as a significant social problem. A strong demand was heard, both from the general public and licensees, for stricter enforcement and stiffer penalties for minors who consume liquor, or are found on the premises of licensed establishments or liquor stores. The committee was also urged to come down hard on those who supply minors with liquor, whether they be licensees, "bootleggers", or adult "runners" outside liquor or licensee retail stores.

Until recently, minors found in possession of liquor or unlawfully trying to obtain liquor often were not charged for the offence, as the process for prosecuting the minor was lengthy, and the system cumbersome. The police would often confiscate or dispose of the alcohol. Minors found in retail liquor outlets and licensed establishments were simply rejected.

The OFFENCE AMENDMENT ACT, which came into effect late in 1986, now gives police the option of issuing a ticket on the spot for violations of the LIQUOR CONTROL AND LICENSING ACT. The ticket works much like the current traffic ticket system, with the offence and penalty indicated on the ticket (eg., unlawfully on premises - $100). If the accused wishes to make an out-of-court guilty plea, he pays the fine indicated. If he then wishes to dispute the ticket, the court is contacted for a hearing date.

We anticipate that the use of this uniform ticket system will result in a significant increase in the number of minors charged under the LIQUOR CONTROL AND LICENSING ACT in 1987, and to some extent will deal with public and licensee concerns regarding stricter enforcement.

Liquor inspectors and designated LDB staff should have the authority to issue tickets for violations of the LIQUOR CONTROL AND LICENSING ACT, which would allow for more effective enforcement of the legislations.

# RECOMMENDATION

53. To further increase the level and scope of enforcement, the committee recommends that the OFFENCE ACT regulations be amended to designate both liquor licensing inspectors and approved liquor distribution staff as enforcement officers.

The minimum fine for a minor in possession of liquor in, or unlawfully on, the premises, of a liquor store or licensed establishment, is $100. Minors in possession of liquor in locations other than a liquor store or licensed establishment are not subject to a minimum penalty prescribed by the Act. We feel that later the offence is also sufficiently serious to warrant a minimum penalty.

# RECOMMENDATION

54. Section 36(3) of the LIQUOR CONTROL AND LICENSING ACT should be amended to provide for a minimum fine of $100 for a minor unlawfully in possession of liquor.

We believe the recommended increase in this penalty would act as an additional deterrent to minors.

A person who sells, supplies, or permits minors to consume liquor on premises under his control is liable, upon conviction for a first offence, to a fine of not less than $500. For a second and each subsequent offence of selling liquor to a minor the penalty increases to a fine of not less than $500, AND a suspension of the liquor licence for not less than seven business days.

Licensees complained to the committee of unequal treatment under the law in that the licensee is subject to a suspension of his licence, with the loss of significant amounts of revenue, while the minor, who has "caused" the problem, often receives the minimum and seemingly nominal $100 fine. Despite this claim, our research indicates that in practice minors found in a licensed establishment may be charged for the offence, while the licensee is rarely, if ever, charged.

Typically, a report is filed with the LCLB, and

progressive enforcement action is taken by the branch: ie. for a first offence - no action; subsequent offence - a warning letter; repeated offences - suspension of the licence, usually for a few days. It is rare that a licensee is actually subject to prosecution and the minimum penalty prescribed under the Act. During the three-month period January 1st to March 31st, 1987, there was a total of three cases in Provincial Court of selling liquor to a minor, or permitting minors on a licensed establishment, while during the same period there were 493 cases of minors prosecuted for possession of liquor or unlawfully being on the premises of a licensed establishment or liquor store.

# RECOMMENDATION

**55. Stricter and more effective enforcement action should be taken against licensees who serve liquor to minors, or permit minors in licensed premises.**

The uniform ticket can also be issued to licensees who permit minors on their premises or sell liquor to minors.

A number of licensees pointed to difficulties in firstly identifying those likely to be under the age of 19, and secondly in establishing the authenticity of the identification presented.

The City of Kelowna, a youth worker, and various other presenters requested the imposition of mandatory identification checks by all licensees. While we feel that such checks would likely reduce the number of minors attempting to gain access to licensed establishments, we are of the opinion this is an administrative matter best left to the discretion of individual establishments. The committee simply reiterates the position that the responsibility and liability for ensuring patrons are of legal age rests with the owners and operators of licensed establishments.

We are told the presentation of false B.C. identification cards, or driver's licences with altered birthdates to gain access into a licensed establishment, is not uncommon. Altering a B.C. driver's licence is an offence under Section 68 of the MOTOR VEHICLE ACT, but it is not an offence to alter a B.C. Identification card. In our opinion, it should be.

# RECOMMENDATION

**56. It should be an offence under section 68 of the MOTOR VEHICLE ACT to falsify to B.C. Identity Cards.**

Again, enforcement action is crucial, and the committee recommends that when a person is found in a liquor outlet with an identity card or driver's licence which has clearly or apparently been altered or falsified, the card should be retained and the police called immediately.

The committee received numerous submissions concerned with adults supplying or illegally purchasing liquor on behalf of minors.

We share the concerns of parents, youth organizations, and many others who recommended stricter enforcement and stiffer penalties for those who bootleg or purchase liquor on behalf of minors. The committee recommends vigorous prosecution of offenders. We also note that there is no minimum penalty specified at present for unlawfully supplying liquor to minors. We think there should be.

# RECOMMENDATION

**57. Section 35 of the LIQUOR CONTROL AND LICENSING ACT should be amended to provide for a substantial minimum penalty for supplying liquor to minors.**

We are advised that problems with minors stem more from a lack of enforcement of the present laws than from a lack of severity of existing penalties. Until the current range of penalties is stringently applied, it is difficult for us to conclude that they should be increased. However, we wish to send a strong message to minors, those who supply or serve liquor to minors, and enforcement officials — that we view the problem of underage consumption as a serious one, which should be dealt with severely by those in a position to enforce the legislation.

Furthermore, although we recognize that enforcement plays a major role in reducing the incidence of underage consumption, we feel that in the long run increased awareness through education will be the most effective solution to this problem.

## 3. ENFORCEMENT

The need for stricter enforcement of licensed establishments was in issue raised repeatedly throughout this review with many requests for more inspections and tougher penalties. We share this view. While travelling the province, we took the opportunity to accompany LCLB inspectors on their night inspections and were disturbed to see the extent to which obviously intoxicated patrons were still served liquor.

Most licensees operate reputable, law-abiding establishments, but a significant minority repeatedly violate the law by overcrowding and by serving minors and intoxicated patrons. The committee is particularly concerned about service to the intoxicated because of loss of control within licensed establishments and the increased probability of impaired driving.

# RECOMMENDATION

**58. The LCLB should fully apply the existing penalties to licensees found serving intoxicated patrons, serving minors or committing other offences.**

Enforcement of liquor laws in licensed establishments is the joint responsibility of the LCLB and the police. The LCLB employs 24 inspectors throughout the province. They are responsible for enforcement patrols and the provision of licensing information to existing and prospective licensees. Each of the inspectors is responsible for approximately 300 premises. Licensing responsibilities demand the majority of their time, leaving little time for inspection and enforcement activities.

There are too few inspectors to provide adequate inspection and enforcement services. We feel there is a need for more inspectors and a special investigative unit to liaise closely with police to investigate serious breaches of the liquor laws.

# RECOMMENDATION

59. The LCLB should be provided with more inspectors. An option which should be explored is the training of LDB personnel in remote areas to assist the LCLB in its licensing and enforcement duties.

Most police assist the LCLB by participating in a walkthrough program of licensed establishments, during which they note and report violations of the liquor laws. The walkthrough program is an excellent one, but could be improved if all police forces were actively involved. Most participating forces do provide their officers with some training in the LIQUOR CONTROL AND LICENSING ACT but others are forced to learn on the job, which no doubt reduces their effectiveness.

# RECOMMENDATION

60. To enhance enforcement, there should be more formal training on liquor laws for all police officers.

## Penalties for Licensing Infractions

Penalties for infractions vary depending on the severity of the offence and the past record of the licensee. Depending on the severity and nature of the violation a warning letter may first be issued and if the infraction occurs again, a licence suspension may be imposed. Even after subsequent violation, the cancellation of a liquor licence is rare.

An administrative fine system could improve the effectiveness of enforcement. A substantial fine might better motivate the offending licensee to rectify the problem.

The fines could increase in severity for second or third offences and should be high enough to become more than just a "cost of doing business". A system of fines for initial offences would provide a more effective and efficient enforcement tool, and would not penalize the premises' staff who might otherwise be laid off if a suspension were imposed. Likewise, the patrons of the licensee would not be penalized by the closure of the premises.

If the imposition of a fine or fines does not resolve the problem, then a hearing should be held to consider a licence suspension. The LCLB should not hesitate to impose longer suspensions or even a licence cancellation on those who repeatedly violate the requirements of their licence. Through strong enforcement measures, a message can be sent to all licensees that such behaviour will not be tolerated.

# RECOMMENDATION

61. The LCLB should retain its suspension and cancellation power but also introduce an administrative fine system that will enable the branch to issue fines for violations of the Act.

A licensee is a member of the community. If the operation of his business adversely effects his neighbours, the views of the latter should be solicited.

Accordingly, we recommend that enforcement hearings be publicly announced to make municipal officials, neighbouring merchants, concerned citizens, and other interested persons aware of the hearing and provide them a forum to express their opinion.

Equally, the results of that hearing should be made public, particularly when a suspension is issued. Indeed, during the suspension period, a notice should be publicly displayed outside the affected establishment.

# RECOMMENDATIONS

62. To ensure participation by interested persons, enforcement hearings should be announced to achieve good public awareness.

63. When a licence is suspended, a notice should be publicly displayed outside the affected premise so that the public will be aware of why the establishment has been closed.

We are pleased that in some communities there are liaison committees comprised of licensees, police, and LCLB inspectors. In Victoria, Vancouver and New Westminster these groups are known as the Hospitality Industry Liquor Licensing Advisory Committee *(HILLAC)*. *HILLAC's* goal is to resolve emerging enforcement problems by having fellow licensees approach problem establishments and urge them to abide by the LIQUOR CONTROL AND LICENSING ACT. *HILLAC* and similar committees have been very successful and we urge other communities to form their own.

# RECOMMENDATION

64. More communities should consider establishing liaison committee such as the Hospitality Industry Liquor Licensing Advisory Committee *(HILLAC)*.

## Delivery and Catering Service

In a number of communities, delivery services exist which will deliver liquor to a consumer's home for a charge. They are not allowed to stock liquor and sell them from their own inventory. These operations do have business licences, but they are not licensed by LDB or LCLB. We recognize that these companies provide a useful service but we are distrubed by claims that they sometimes deliver after hours and deliver to minors and the intoxicated.

Caterers are somewhat similar to liquor delivery services but the delivery of liquor is only part of their service, which includes the delivery of food, dishes, glasses, etc.

We feel that these liquor delivery services and caterers should be licensed. Due to the nature of the catering business, we also recommend that the caterer be permitted to store liquor on their premise overnight.

# RECOMMENDATION

65. Liquor delivery service firms and caterers should be licensed by the LCLB to operate under specific rules. Serious or continued violations of those rules should lead to licence suspension or cancellation. Caterers should be able to store liquor overnight.

## Bootlegging

We were told bootlegging continues to be a problem, particularly with two groups: minors and Natives. Minors acquire liquor through two types of bootlegging: loitering near retail liquor outlet until someone (the so-called runners) will buy it for them, and individuals or organizations who make it their business to bootleg.

Native leaders told us that bootlegging to Natives is a serious problem. They report that sometimes the bootleggers are themselves Natives.

Some jurisdictions include the seizure of the bootlegger's vehicle as a penalty for bootlegging where a vehicle is involved. We believe that this idea has merit and also that all penalties for bootlegging should be increased.

# RECOMMENDATION

**66. The penalty for bootlegging should be increased substantially and should include, upon charging, the possible impoundment of a vehicle involved, and, upon conviction, the forfeiture of the vehicle to the Crown.**

## 4. ENTERTAINMENT IN LICENSED ESTABLISHMENTS

We received several submissions concerning certain forms of entertainment staged in licensed establishments, particularly those describe as exotic dancing, stripping and XXX-rated movies. Some British Columbia licensed establishments appear to have acquired the reputation of being at the leading edge of a type of entertainment which goes beyond mere stripping or exotic dancing and which, in our view, often steps beyond the boundaries of good taste and beyond the standards which the public expects of licensed establishments.

These types of entertainment are generally found in hotel lounges and pubs. Some hotel owners seem to favour the imposition of limits on the excesses of these forms of entertainment. Some booking agents, dancers and strippers have also expressed support for controls. The dancers stated that they are often obliged to perform in a manner which they find objectionable but the alternative is to be left without a job.

Under the LIQUOR CONTROL AND LICENSING ACT there are few controls on entertainment, although the General Manager of the LCLB may suspend or cancel a licence for the conviction of the licensee under the CRIMINAL CODE for offences such as obscenity, an indecent show or an immoral or indecent theatrical performance. The federal CRIMINAL CODE deals with matters such as nudity and obscenity. We do not intend that the limitations which we recommend below duplicate the CRIMINAL CODE provisions.

In our view limitations should be placed on these forms of entertainment in licensed establishments regardless of whether the courts might find them to be indecent or obscene under the CRIMINAL CODE. Such limitations are justified in view of the mandate of the LCLB to ensure that certain operational standards are maintained in licensed establishments. In particular, the committee feels that the following are not appropriate for licensed establishments and, as such, should not be permitted either in film or as live entertainment:

1. live sex acts;
2. sex acts which are simulated, but are so realistic that a reasonable observer could not determine that they are simulated;
3. the use of objects in or about the genital area;
4. audience participation in the entertainment (this is already prohibited under the LIQUOR CONTROL AND LICENSING ACT);
5. the involvement of minors in the entertainment (this is also prohibited under the Act);
6. coercion or violence, simulated or real, in a sexual context.

This is not meant to be an exhaustive list but rather a guideline.

We understand that the province has the authority to regulate in this area, and it should do so. We point out that municipalities now have the power to restrict or prohibit any or all types of entertainment in licensed establishments under section 50 of the LIQUOR CONTROL AND LICENSING ACT, and some have done so. The municipalities should be made aware of their powers in this area.

We are also concerned about the content of some XXX-rated movies shown in licensed estabishments. So far as we are aware, these films are all approved for adult viewing by the Director of Film Classification. Nevertheless, we feel that some of them are not appropriate for viewing in licensed establishments. Certainly such films should not display those acts to which we have objected above. Discussion should take place among the General Manager of the LCLB, the Ministry of Attorney General and the Director of Film Classification to determine a mechanism for restricting the content of films shown in licensed establishments.

# RECOMMENDATIONS

**67. Limitations should be placed on such forms of entertainment as stripping, exotic dancing and XXX-rated movies in licensed establishments.**

**68. Municipalities should be made aware of their power to restrict or prohibit any or all types of entertainment in licensed establishments under section 50 of the LIQUOR CONTROL AND LICENSING ACT.**

## 5. KNIVES IN LICENSED ESTABLISHMENTS

The Downtown Eastside Residents' Association *(DERA)* provided us with an excellent and detailed submission regarding the problems associated with the carrying and use of knives as weapons. *DERA* asserted that existing legislative provisions and police enforcement do not go far enought to control the problems. Their position was supported by licensees in the Vancouver downtown eastside area and the Vancouver Police Department as well as His Worship, Mayor Gordon Campbell, on behalf of the City of Vancouver.

The CRIMINAL CODE now prohibits the carrying of a knife as an offensive weapon. It is, practically speaking, impossible to prove that a knife is carried as an offensive

weapon until it is used as such. In effect, it is legal to carry a knife for protection, and the onus is on the Crown to prove that a knife is being carried for use as an offensive weapon.

Licensees may ask a patron who carries a knife to leave the establishment and may call the police to charge him with the failure to do so under section 47 of the LIQUOR CONTROL AND LICENSING ACT. Crown Counsel rarely, if ever, proceeds with such charges. In any event, licensees are not obliged to ban knife-carrying patrons from the establishment.

It is clear that a serious problem exists. Indeed, there were three murders with the use of a knife in the downtown eastside during the time we were conducting our hearings.

*DERA*, Vancouver City Council and the police would prefer to see significant amendments to the CRIMINAL CODE to deal more effectively with the problems. We support that view. The federal government has been unwilling to introduce such amendments, for various reasons. In the absence of such amendments, *DERA*, the City of Vancouver and the police also advocate changes to the LIQUOR CONTROL AND LICENSING ACT to prohibit the carrying of knives in licensed establishments. This would at least reduce the potential for knife-related offences. We agree that this seems to be the most logical way of dealing with the problem at the provincial level.

# RECOMMENDATIONS

**69. The province should continue to request amendments to the CRIMINAL CODE which might better resolve the problems with knives both inside and outside licensed establishments.**

**70. The LIQUOR CONTROL AND LICENSING ACT should be amended to make the possession of a knife in a licensed establishment an offence, and to prohibit licensees from authorizing or permitting a person whom the licensee knows is carrying a knife to enter or remain in a licensed establishment.**

## 6. ADVERTISING

A substantial number of public submissions regarding advertising requested further restrictions on liquor industry advertisements. In addition, we reviewed many studies that have attempted to measure the impact of advertising on liquor consumption.

Most studies (primarily those funded by liquor manufacturers) have discovered no positive correlation between either the amount or type of liquor advertising and adult consumption levels. These studies suggest advertising merely influences brand preference. Other research claims that advertising provides a source of socialization, especially for young people, creating a favourable attitude toward drinking that may lead to increased consumption. A third school of thought suggests that the issue of casuality is not relevant. The primary problem is that liquor advertising disseminates misleading information about liquor and is thus a barrier to public health programs.

The research findings are inconclusive but there may be cause for concern regarding the possible adverse effects of beverage alcohol advertising. Many requested a ban on advertising, particularly on television, but we do not think that would be effective.

Prior to 1982, advertising on radio and television was banned in British Columbia. The ban was not effective because the beverage alcohol industry aired television commercials in Washington State and Alberta, where such advertisements were permitted, and consequently, the advertisements were seen by British Columbians watching these out-of-province stations.

The provincial government amended its advertising policy in 1982 to allow beer and wine advertisements on radio and television for three reasons:

(1) liquor commercials were already seen on out-of-province stations and permitting them on local stations would not mean a significant change for viewers;

(2) the Canadian beverage alcohol industry was spending approximately $5 million per year on advertisements in Washington State. If local radio and television advertisements were permitted, much of this amount would be repatriated;

(3) if the commercials were allowed, then regulations could be drafted that would better control the content of the advertisements.

The Liquor Control and Licensing Branch exercises jurisdiction over beverage alcohol advertising in all media. Regulations and guidelines are in place to ensure that all proposed advertising is first submitted to the branch for approval. The Canadian Radio-Television and Telecommunications Commission (CRTC) also regulates beer, wine, cider and cooler commercials shown on radio and television. It does not permit the advertising of spirits.

The CRTC regulations are similar to British Columbia's but not identical in that our regulations and guidelines more closely reflect the unique need of our province.

# RECOMMENDATION

**71. The LCLB should continue its regulatory control of beverage alcohol advertising in the electronic media.**

The committee received many complaints regarding "lifestyle" advertising which typically portrays attractive young people in party environments. The perceived message of these advertisements is that liquor is required for a good time. We share the concern of those individuals and groups who requested tighter controls on this form of advertisiing. While it is likely not possible to fully define "lifestyle' in absolute terms, the LCLB has developed regulations and guidelines to control the content of lifestyle advertising, including the following:

- Advertisements may not be directed to, nor appear to be directed to, consumption by minors.
- Advertisements may not contain scenes in which the product is actually being consumed, nor may the face or figure of any person be unduly exploited as the central theme of advertising material.
- Advertising must not associate the consumption of a liquor product or of a particular brand of liquor with driving a vehicle.
- Advertising may not be portrayed in a manner which gives the impression that liquor is an important or necessary element or conclusion for allied activities or

occasions, or that it may be a significant factor in the realization of any lifestyle.

- Advertising may not attempt to establish a certain liquor product as a status symbol, a necessity for the enjoyment of life, or an escape from life's problems.

We feel that the present standards as stated are adequate to regulate beverage alcohol advertising. What is needed is a stricter interpretation of these standards.

# RECOMMENDATION

72. The LCLB should formulate a stricter interpretation of its advertising standards based upon a philosophy of moderation and responsibility so that "lifestyle" and youth oriented advertising should be further controlled.

Under an agreement between the British Columbia Association of Broadcasters and the LCLB, 15 percent of the air time allotted to liquor advertising must be devoted to educational messages. The focus of these advertisements since 1982 has been the CounterAttack message — "Don't Drink and Drive". Recently the Ministry of Health developed positive lifestyle advertisements that are currently being aired. We commend the broadcasters' commitment to this program in that they regularly exceed the 15 percent quota. We do, however, have recommendations to improve this otherwise excellent program.

We feel the advertisements, which are developed by the provincial government, should focus on themes additional to CounterAttack. We have repeatedly been told that the latter has been a very effective program. There are, however, other liquor-related problems that also need to be addressed through this approach.

# RECOMMENDATION

73. In addition to the very successful CounterAttack advertisements directed at the problem of drinking and driving, the provincial government should in association with the broadcasting industry address through similar advertising other liquor-related.

The terms of the present agreement between the broadcasters and the LCLB do not permit the government to state how more information may be obtained. Presently, at the conclusion of each commercial the viewer is informed that it was "brought to you by the broadcasters of British Columbia". The committee believes the appropriate government ministry should also be identified as a source of further information or assistance.

# RECOMMENDATION

74. As part of advertisements developed by the provincial government and presented by the broadcasters of British Columbia, the targetted group should be directed to the appropriate ministry or agency for further information or assistance.

Many of the brewers and distillers provide their own public service advertising and while we acknowledge their contribution, it remains a small percentage of their advertising budget. Given the health and social costs associated with alcohol abuse, we believe the beverage alcohol industry should substantially fund more public service advertisements.

# RECOMMENDATION

75. Beverage alcohol producers and suppliers should dedicate substantially more advertising resources to corporate sponsored public service advertisements. These campaigns should be permitted on billboards, transit shelters and transit vehicles, but product advertising should continue to be prohibited on these media.

## 7. INDUCEMENTS AND PROMOTIONS

The issue of inducements and promotions is of serious concern to the committee due to its impact on beverage alcohol manufacturers, licensees, and ultimately the consumer.

An inducement is defined as an act by a liquor manufacturer to persuade a licensee or retailer through cash or product to buy more of a particular product than would be bought under normal circumstances, to the detriment of other manufacturers. Examples of inducements include cash payments, free product or product at a reduced price, free trips, etc. Inducements are a violation of the LIQUOR CONTROL AND LICENSING ACT.

Inducements are illegal for the following reasons: brand choice, for consumers may be reduced by licensees or retailers conspiring with a manufacturer(s) to the exclusion of other manufacturers; competition may be reduced among manufacturers as small companies may be unable to compete in the inducement wars. If industry consolidation should follow, then the remaining firms could collude and divide the market, dictating a limited choice of products to licensees and retailers.

Promotions also attempt to influence the brand purchased by consumers, but unlike inducements which typically occur without consumer knowledge, promotions are aimed directly at the consumer through mechanisms such as taste testing, bottle openers, coasters and the like. Promotions are permitted but regulated by the LCLB.

It is difficult if not impossible in some situations to draw a clear dividing line between promotions and inducements.

The committee recommends that strict guidelines be developed to ensure that inducements are prohibited. An experimental program for promotions administered by the LCLB has been in effect since last year and appears to function well but further evaluation is needed. We recommend that further discussions be held with the beverage alcohol industry to arrive at guidelines understood by all.

# RECOMMENDATION

76. The LCLB should strictly enforce legislation prohibiting the giving and taking of illegal inducements.

## Motorsport Sponsorship

While the sponsorship of professional sports by liquor manufacturers has been permitted, motorsport events have been seen as an exception due to connotations of drinking and driving. Because these are professional events where safety is of prime concern and there is little relationship to everyday driving, we do not believe that such sponsorship needs to be prohibited. Moreover, these events have the potential to generate substantial economic activity and benefit tourism by putting British Columbia on display through national and international media coverage.

# RECOMMENDATION

77. **Beverage alcohol manufacturers should be allowed to sponsor professionally sanctioned motorsport events. The province should continue to restrict beverage alcohol industry involvement in all activities involving minors particularly sports activities.**

# 8. PREPARATIONS CONTAINING ALCOHOL

The LIQUOR CONTROL AND LICENSING ACT deals with the sale and use of "liquor" in the Province. "Liquor" is defined in the Act (and in the LIQUOR DISTRIBUTION ACT) to mean:

(a) fermented, spirituous (sic) and malt liquors;

(b) combinations of liquors; and

(c) drinks and drinkable liquids that are intoxicating; and a liquor that contains more than 1% alcohol by volume shall be conclusively deemed to be intoxicating; and "liquor" includes beer, or a substance which, by being dissolved or diluted is capable of being made a drinkable liquor that is intoxicating and which substance is declared by order of the Lieutenant Governor in Council to be liquor.

This definition of "liquor" covers wine, beer and spirits. The definition may also include preparations which contains liquor such as liqueur chocolates, perfume, medicine, flavouring extracts, bitters and cooking wine which has been adulterated with salt. The Act does not prevent the sale of such a preparation as long as it "contains sufficient other ingredients . . . to prevent its use as an alcoholic beverage" AND the manufacturer or dealer sells it to a "person who purchases or uses it for resale or for toilet, confectionery or culinary purposes" (section 62). Sales which do not meet both those criteria would violate section 40 of the Act and constitute an offence.

The one exception to the rule is medicinal preparations which contains liquor sufficient to be used as an alcoholic beverage. These preparations may be sold only in accordance with the directions of the General Manager of the LCLB subject to the PHARMACISTS ACT (section 62(2)). The General Manager has issued very clear directions with regard to the sale of medicinals pursuant to subsection 62(2), including Chinese medicinals.

Although the LIQUOR CONTROL AND LICENSING ACT appears to adequately deal with the potential for abuse in the sale of preparations containing liquor, it has been made clear to us that abuses are occurring and that more can be done to reduce the problems. There is good evidence that some merchants (mostly in Vancouver, and elsewhere in the province as well) are selling preparations containing liquor to persons whom they know or ought to know intend to use the product as an alcoholic beverage. These preparations include cooking wine, shoe polish, after-shave lotion, bitters, extracts and so on. While these products are not drinkable in the normal sense of the word, they are being consumed with very destructive results. Some merchants are making significant profits on these sales which are often made in violation of the Act.

While the City of Vancouver, the General Manager and the police seem to be making some headway in controlling the problem, we feel that more can and should be done. It was pointed out that drafting inadequacies in the Act should be rectified so that offences are clearly specified along with a significant minimum penalty for non-corporate offenders. A minimum penalty for corporate offenders is presently in the Act. The Act should also be amended to cover preparations such as Lysol and shoe polish.

A more concerted effort should be made by the General Manager to alert the relevant merchants to the problems and penalties and to obtain their cooperation. It should be made clear that if the privilege of selling these preparations is abused, then the Act will be strictly enforced. The municipalities and their police forces must also make the commitment to investigate allegations of abuse with a view to laying charges.

# RECOMMENDATIONS

78. **The LCLB should inform the relevant merchants of the problems and the penalties (and obtain their cooperation) regarding the sale of preparations containing alcohol which may be used as alcoholic beverages. It should be made clear that if the privilege of selling these preparations is abused, then the LIQUOR CONTROL AND LICENSING ACT will be strictly enforced. The municipalities and their police forces should also make the commitment to investigate allegations of abuse with a view to laying charges.**

79. **The section concerning preparations containing alcohol in the LIQUOR CONTROL AND LICENSING ACT should be clarified and offences should be clearly specified, along with a significant minimum penalty, for non-corporate offencers who are selling such preparations to persons who they know or ought to know intend to use the product as an alcoholic beverage.**

80. **The General Manager of the LCLB should continue to provide directions regarding the sale of unadulterated medicinals to both the importers AND retailers of these products to ensure their continued awareness of the associated problems and penalties.**

If this does not control the problem, then the sale of all these preparations might be prohibited unless the seller possesses a licence. Alternatively, the preparations which are most susceptible to abuse as an alcoholic beverage might be sold only in LDB stores.

Several people told us of the tremendous increase in sales of beverages which contain less than 1 percent alcohol by volume and which, therefore, do not fall within the

definition of "liquor" in the Act. These products are generally intended to be alternatives for those consumers who wish to drink a liquor-like beverage without the higher alcohol content. The proliferation of these products may benefit consumers by offering an almost non-alcoholic alternative to liquor.

These products may also have a detrimental effect on children who can be significantly affected by small amount of alcohol. We are concerned that these products introduce children to alcoholic beverages at an all too early age. They also tend to make drinking beverage alcohol seem too innocent and harmless an activity.

By changing the definition of liquor, these low alcohol products would be covered by the Act, particularly the prohibition against sales to minors. As well, if problems develop with a particular product, the province will be able to resolve the problem with much greater ease by prohibiting its sale, limiting the conditions under which it may be sold or, alternately, limiting sales to LDB stores.

# RECOMMENDATION

81. The definitions of "liquor" in the LIQUOR CONTROL AND LICENSING ACT should be amended to include drinks which contain any alcohol by volume.

# 9. DRINKING AND DRIVING AND THE DRINKING AGE

## Drinking and Driving

Drinking and driving issues dominated much of the hearings.

General public opinion is that more extensive, effective and expeditious enforcement, and increased public education, are essential. These efforts are necessary if we are to continue reducing the social, health and economic costs, as well as the untold human suffering, that result from drinking and driving accidents.

In an average year in B.C., drinking and driving causes over 200 deaths and 7,000 injuries, representing about $130 million in medical, judicial and insurance costs. Drinking and driving charges comprise a third of the CRIMINAL CODE case load, and about one-third of the bed-days in provincial jails are taken up by those convicted of drinking and driving. Drinking and driving is the most common cause of fatal accidents, especially among young drivers.

Extensive research has been undertaken in B.C. over the past several years by CounterAttack, a joint program of the Ministry of Attorney General and the Insurance Corporation of British Columbia.

The program found that drinking and driving accidents occur with above-average frequency to those drivers between 18 and 30 years of age, particularly males. The 19-year-old driver group experienced the highest frequency of these accidents.

In 1981 the U.S. National Centre for Health Statistics reported that alcohol-related crashes had become the leading cause of death in the 16-to 24-year-old age group.

In British Columbia the ratio of drivers involved in drinking and driving accidents, by age group, compared to all other driving accidents is shown below:

**AGE BY CASUALTY ACCIDENTS AND ALCOHOL INVOLVEMENT**

| Age | Total # Drivers in Injury or Death Accidents, 1982 | % Drivers in Accidents Involving Injury or Death where Driver was Thought to Have Been Drinking, 1982 |
|---|---|---|
| 16 | 1,000 | 8.9 |
| 17 | 1,517 | 9.5 |
| 18 | 1,781 | 15.6 |
| 19 | 1,996 | 18.9 |
| 20 | 1,828 | 17.1 |
| 21-25 | 7,203 | 16.5 |
| 26-30 | 5,080 | 14.2 |
| 31-35 | 4,199 | 11.5 |
| 36-40 | 2,839 | 10.5 |
| 41-45 | 2,023 | 9.8 |
| 46-50 | 1,616 | 8.2 |
| 51-55 | 1,526 | 6.6 |
| 56-60 | 1,352 | 7.3 |
| 61-65 | 1,001 | 4.7 |
| 66-70 | 779 | 3.9 |
| 71-75 | 531 | 3.4 |
| 76-80 | 284 | 1.4 |
| 81 + | 144 | 0.7 |
| Prov. Total | 36,699 | 11.5 |

Source: Drinking Driving CounterAttack Annual Report, 1984.

Since the inception 10 years ago of the CounterAttack Program, alcohol related casualty accidents have declined from over 20 percent of all traffic deaths in 1977 to 12 percent in 1985. This has prevented some 8,000 casualties. The lowest year on record for alcohol-related traffic casualty accidents was 1985. Conservative estimates of the current direct costs arising from impaired driving, attributed to the Insurance Corporation of British Columbia and the Ministry of Attorney General alone, are $85.3 million.

There are other factors that have had an impact on alcohol related casualties. Seat belt legislation has clearly proven its worth. Increased public education has also made drivers more aware of the legal, social and health implications of drinking and driving. In recent years stiffer legal sanctions also appear to be a deterrent.

We heard from organizations such as M.A.D.D., nursing associations, doctors, police forces and citizens that more effective enforcement and control measures are needed. The organizations wanted a clear message sent to those who threaten their own and others' lives by drinking and driving.

Suggested measures included additional police services, more CounterAttack blitzes, stiffer and more immediate penalties such as licence suspension and vehicle impoundment and forfeiture.

Concern was expressed that impaired drivers who seriously injure or kill someone can continuing driving, even though charged, until the case is dealt with in court. In some instances, the accused may continue driving for up to 18 months. The proponents of more expeditions sanctions, such as M.A.D.D., endorsed immediate licence suspension and vehicle impoundment.

It was suggested that in addition to tighter enforcement of the CRIMINAL CODE it would also be appropriate to strengthen and vigorously enforce other Acts. For example, it might be appropriate to more tightly enforce the current provisions under the MOTOR VEHICLE ACT regarding immediate suspension of an individual's licence, and apply such suspensions to first-time offenders.

Similarly, tighter enforcement of the LIQUOR CONTROL AND LICENSING ACT and its regulations should result in fewer patrons leaving licensed premises in an intoxicated condition. Studies in B.C. and Ontario show that more than half of the impaired drivers stopped by police at roadside checks were coming from licensed establishments.

In May, 1987, the federal government, in cooperation with all provinces, announced long-term initiatives to reduce the incidence of drinking and driving.

Paralleling the above initiative was the establishment, by the Premier, the Honourable William Vander Zalm, of a Cabinet Committee on Traffic Safety, in May 1987. This committee addresses all aspects of improving highway safety in British Columbia in order to reduce deaths, injuries and property losses on our highways. This committee has already formally endorsed its support of the federal drinking-driving initiatives, and will be expanding the government's CounterAttack programs.

# RECOMMENDATIONS

82. The CounterAttack program should be expanded to include its roadside check campaigns throughout the year.

83. The Cabinet Committee on Traffic Safety should address previously explored areas of enforcement, which may require amendments to the MOTOR VEHICLE ACT or the LIQUOR CONTROL AND LICENSING ACT, regarding:

    a) Suspension of driver's licence by the Superintendent of Motor Vehicles, immediately upon the driver being charged with an impaired driving offence which involved serious injury or death;

    b) Police impoundment of a vehicle, driven by an allegedly impaired driver, for 24 hours, with establishment of an administrative fee charged to the driver to release the vehicle. Impoundment would not preclude the possibility of charges being laid; and

    c) Subject to review by the courts, impoundment of a vehicle driven by a person who has veen charged with an impaired driving offence and who either:

        i) has a history of one or more previous impaired driving convictions, or

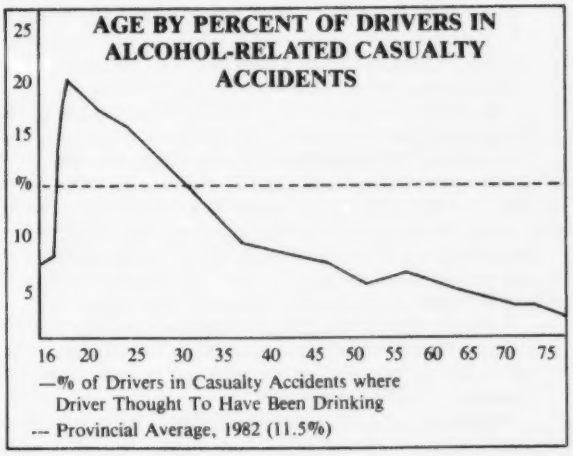
        ii) causes serious injury or death in the incident which results in the charge.

    Upon conviction, the vehicle might be forfeited to the Crown.

## The Drinking Age

It was repeatedly suggested that the committee advocate a return to 21 as the legal drinking age. Municipalities and police forces, for example, argued that this would significantly reduce drinking and driving by young people.

Between 1970 and 1975 all 10 provinces and a number of U.S. states lowered the drinking age from 21 to 18 or 19. British Columbia lowered the legal drinking age from 21 to 19 years in 1971.


AGE BY PERCENT OF DRIVERS IN ALCOHOL-RELATED CASUALTY ACCIDENTS
25
20
15
%
10
5
16 20 25 30 35 40 45 50 55 60 65 70 75
—% of Drivers in Casualty Accidents where Driver Thought To Have Been Drinking
--- Provincial Average, 1982 (11.5%)

**AGE BY REGISTERED DRIVERS, CASUALTY ACCIDENTS AND ALCOHOL INVOLVEMENT**

| Age | Total # of Registered Drivers 1982 | % of Total # That Were In Accidents Involving Injury or Death 1982 | % of Total #That Were In Accidents Involving Injury or Death who Were Thought to Have Been Drinking 1982 |
|---|---|---|---|
| 16 | 15,673 | 6.4 | 0.6 |
| 17 | 28,161 | 5.4 | 0.5 |
| 18 | 36,727 | 4.8 | 0.7 |
| 19 | 42,224 | 4.7 | 0.9 |
| 20 | 45,755 | 4.0 | 0.7 |
| 21-25 | 267,245 | 2.7 | 0.4 |
| 26-30 | 297,136 | 1.7 | 0.2 |
| 31-35 | 285,014 | 1.5 | 0.2 |
| 36-40 | 221,147 | 1.3 | 0.2 |
| 41-45 | 165,022 | 1.2 | 0.1 |
| 46-50 | 139,373 | 1.2 | 0.1 |
| 51-55 | 130,274 | 1.2 | 0.1 |
| 56-60 | 118,398 | 1.1 | 0.1 |
| 61-65 | 100,277 | 1.0 | 0.1 |
| 66-70 | 83,448 | 0.9 | 0.0 |
| 71-75 | 54,423 | 1.0 | 0.0 |
| 76-80 | 30,545 | 0.9 | 0.0 |
| 81+ | 19,127 | 0.8 | 0.0 |
| Prov. Total | 2,079,969 | 1.9 | 0.2 |

Source: Alcohol-Related Casualty Traffic Accidents in British Columbia, 1984. Report, Drinking Driving CounterAttack, Ministry of Attorney General.

As previously mentioned, young drivers are alarmingly over-represented in alcohol-related traffic accidents involving injury and death. U.S. studies using national accident/population ratios show that since 1970 there has been a 28 percent increase in the number of alcohol-related traffic accidents involving the under-20 driver.

In response to this trend, federal legislation in the U.S. was enacted in July, 1984, that withheld a portion of federal highway grants to States that did not implement a drinking age of 21 by October 1, 1986. As of that date, all but four States and Puerto Rico had complied with the federal legislation.

The majority of briefs from the hospitality industry and licensees supported retention of the drinking age at 19. As a rule, many of them found 19-year-olds to be quite responsible. The briefs frequently cited the fact that raising the drinking age to 21 would eliminate jobs for those 19- and 20-year-olds now employed in the industry unless legislated changes were effected. The briefs suggested alternate education and enforcement activities to reduce drinking and driving.

In recognition of the intensity of debate, and polarity of opinion on this matter, the committee devoted a great deal of its time to reviewing all the pros and cons concerning raising the legal drinking age.

Numerous accounts of personal tragedies involving young impaired drivers added to the committee's sensitivity in attempting to formulate workable yet practical recommendations.

We felt it is important to highlight some of the more noteworthy pros and cons in this debate.

## Raising the minimum drinking age to 21:

**PROS**

- Might reduce the number of vehicle accidents. U.S. studies show that, on average, night-time accidents have been reduced by 28 percent since the age was raised back to 21.
- Could reduce alcohol consumption and related problems among young people.
- Would be consistent with similar recent moves in the U.S.

**CONS**

- Legal opinions suggest that such a decision might be found to be unconstitutional under the Canadian CHARTER OF RIGHTS AND FREEDOMS.
- Research has not conclusively proven that consumption and other alcohol-related problems, including traffic accidents, would be reduced.
- Would discriminate against the majority of young people who do not create alcohol-related problems.
- Would be inconsistent with the other Canadian provinces.
- Raising the drinking age does not appear to address the problems of minors and alcohol as effectively as other initiatives such as increased public education, prevention and treatment programs, and stiffer drinking and driving penalties and enforcement.

After considering all the information supplied to the committee, we concluded that the drinking age should remain at 19.

The committee was impressed with a recommendation of the Ontario Advisory Committee on Liquor Regulation that probationary driver's licences should be established and that more stringent drinking and driving regulations apply to probationary drivers.

We believe that British Columbia should also establish such a licence which would be granted to all new drivers. Such a licence would also be granted to drivers completing a licence suspension period. Probationary licences should have a two-year term.

Probationary licence holders should not be permitted to drive after consuming any liquor. Accordingly, it would be an offence to drive a vehicle with a BAC reading above zero.

A probationary driver, convicted of a violation under the zero-blood alcohol law should lose his or her licence for three months, and acquire six demerit points, thus requiring the two-year probationary period to begin again. We expect that this penalty would have a significant deterrent effect.

# RECOMMENDATIONS

84. **The Cabinet Committee on Traffic Safety should consider creating a new category of probationary driver's licence and the creation of a special offence under the MOTOR VEHICLE ACT that would impose a zero-blood alcohol level on probationary drivers.**

85. **The legal drinking age should remain at 19 years.**

# 10. ROLE OF MUNICIPAL/LOCAL GOVERNMENT

Local governments currently play a relatively minor role in liquor licensing in the province. While the LIQUOR CONTROL AND LICENSING ACT provides for consultation and cooperation between the province and local government, the legislation is generally silent as to exactly when and in what manner local government is to be consulted.

In practice, local governments are often consulted by the LCLB for their views on licence applications, or on changes to licence conditions, such as hours of closing. However, local government submissions clearly indicated the lack of any uniform or consistent approach to obtaining such input. They cited examples of individual establishments being granted extensions to closing hours without prior consultation with the local government. The Union of B.C. Municipalities' (UBCM) pointed to the government's decision to allow liquor sales on Sundays, and the decision to allow particular licensee retail stores, as examples of decisions made without prior consultation. The local govenrment's primary concerns were related to policing costs. Not surprisingly, the majority of submissions called for greater municipal involvement by local government in the liquor licensing and control process.

The committee subsequently examined a number of potential options for increasing local government involvement, including delegation of powers, dual licensing

authority, and local government approval and vetos. The issue generally became one of whether the municipalities should have CONTROL OVER or INPUT INTO the process.

Municipalities have the legislative ability to zone, under the MUNICIPAL ACT, for any or all categories of licensed establishments. As a result, local governments may assume complete control over the number and location of licensed establishments in their community.

A survey undertaken in 1984 indicated that the local government officials felt the province should retain control of liquor licensing to ensure consistency throughout the province. At the recent Premier's Conference on decentralization, municipalities reaffirmed this position. The B.C. and Yukon Hotels' Association and individual licensees also recommended that control over liquor licensing remain with the province.

In general, the committee concurs with this position, and recommends that the province retain primary control over liquor licensing. However, it is clear that there is a need for greater consultation and cooperation, and a more formalized mechanism for ensuring local government input. The committee, therefore, recommends that the LCLB be required to seek municipal input, and that this requirement be placed in the legislation. Municipal input would be required prior to the granting of any new licence, setting hours of operation, and changes to conditions of operation. A formalized mechanism for this consultation would allow local governments the option of playing a greater role in the liquor licensing process. This will better ensure that community needs and standards are reflected in licensing decisions and that negative impacts are minimized and community concerns are addressed.

# RECOMMENDATION

86. **The province should retain control over liquor control and licensing. The role of the municipal governments, particularly in respect to new licences, should be strengthened. There should be further consultation between the LCLB and the UBCM to establish mutually agreeable approach.**

The committee heard the view that changes to the current level of municipal involvement were required in the case of applications for neighbourhood and marine pubs, licensee retail stores, special occasion licences and the choice of location of LDB stores.

## Neighbourhood and Marine Pubs

In the case of neighbourhood pub ("D" licences), municipal approval must be obtained prior to the granting of a licence. The LCLB also requires "pre-clearance" by the municipality of any neighbourhood pub application to *certify that the municipality is not opposed in principle* to a neighbourhood pub at the proposed location. In practice, there is confusion surrounding the role of the local government in this approval process. The process may also result in the duplication of effort, as both levels of government undertake various studies to determine the acceptability of the proposal. As noted in the UBCM submission, the overlapping authority also creates potential conflicts between local governments and the LCLB.

Since many marine pubs ("F" licences) are simply neighbourhood pubs situated on the waterfront, the committee recommends that applications for marine pubs be subject to the same approval process as neighbourhood pubs.

# RECOMMENDATION

87. **The LCLB should restrict its consideration of a neighbourhood pub proposal to issues such as the character of the applicant, the location of existing establishments and the proximity to one another. The Branch would also set the terms and conditions of operation. The municipalities should be responsible for site location, considering such things as traffic patterns, parking, noise proximity of schools and playgrounds to the applicant's facilities, as well as municipal zoning within the community and the potential impact it could have on the community. Marine pubs should be subject to the same applicaiton and approval process as neighbourhood pubs.**

## Licensee Retail Stores

A number of municipalities expressed concern over the approval of licensee retail stores without prior consultation. In the section of the report dealing specifically with licensee retail stores, the committee has recommended these stores became a separate licence class which would require prior municipal approval.

## Special Occasion Licences (SOL)

Municipalities expressed a strong desire to have greater control over special occasion licensing. In the section on special occasion licensing, the committee recommends delegation of the authority for approving SOLs to the municipalities.

## LDB Stores

The committee heard testimony from some local governments that there is a need for greater local government involvement in liquor store site selection. The LDB does involve municipalities in this process but should always ensure local government involvement is sought at the earliest possible time in the site selection process.

# RECOMMENDATION

88. **Local government should be consulted by the LDB at the earliest possible time regarding siting of new liquor stores.**

# 11. ON-SITE MANUFACTURING OF WINE, BEER OR CIDER

The committee became aware of a trend toward increased manufacturing of beer and wine by individuals in their homes. This is, undoubtedly, an enjoyable and rewarding

hobby, especially when a quality product is produced.

In the past few years an offshoot of this trend has been the emergence of businesses that allow customers to manufacture beer and wine on the business premises. The staff provide all needed product and assist the patron in the mixing and bottling. The intent of the LIQUOR CONTROL AND LICENSING ACT is to allow individuals to manufacture, in their own residence, for their own consumption, beer, wine and cider. These on-site manufacturing operations do not conform with this intent.

To the extent that these operations offer supplies, equipment and advice, we believe that these are worthwhile operations.

# RECOMMENDATION

89. Stores offering supplies, equipment and advice for home manufacturing of beer, wine or cider should continue to be permitted. The intent of the legislation is only to enable "at-home" manufacture of these products. As a result, therefore, the legislation should be more actively enforced.

# 12. SPECIAL OCCASION LICENSES

## Current Situation

Under section 6 of the LIQUOR CONTROL AND LICENSING ACT a special occasion licence (SOL) is required for the sale or service of liquor at special events. An SOL is a temporary licence, and is required for any function where liquor is served that takes place outside a residence or a licensed establishment. There are two classifications of SOLs, private and public.

Private functions include family events such as weddings or birthdays held in a public facility, as well as events held by private groups for social or fraternal purposes. Attendance at a private function is limited to organization members, expressly invited guests, or persons to whom advance tickets have been sold. The fee for a private SOL is $5.00 per day.

Public functions are events which are recognized and sanctioned by the municipality or regional district in which they are held. These include community festivals, fund raisers and the like. The fee for a public SOL is $20 per day.

Public and private special occasion functions may be held only by bona fide organizations only. These organizations are defined as any club, group, organization or society which meets regularly or occasionally for a common purpose, be it social, fraternal, religious, sporting or community oriented.

Applications for SOLs are issued by LDB store managers, acting on behalf of the LCLB. Prior to issue, the application must be approved by the local police authority (except for privately held family functions). The store manager is required to ascertain whether the individual applying for the licence is a legitimate representative of the club, group, organization or society involved, and whether the function planned is a legitimate special occasion or event.

An SOL is not intended for use for events held on a regular basis. An exception is made for service clubs or groups who hold regular dinner and luncheon meetings. In general, other groups or organizations which wish to meet or socialize frequently are encouraged to deal with licensees licensed for that purpose.

The total number of SOLs issued for 1986-87 was 40,007; 38,083 were for private functions and 1,924 for public functions. While the number of licences issued increased slightly from 1982 to 1985, the number of licences issued since then has dropped or remained relatively constant.

The subject of SOLs was raised by a number of organizations, individuals and municipal authorities. Some of the major problems and issues identified are:

### 1. Competitive with Licensed Establishments

SOL events are viewed by permanently licensed establishments as direct and unfair competition. While licensees are required to meet strict premises requirements, pay a variety of fees and taxes, and be monitored and inspected, there are relatively few requirements imposed upon where special occasion events may be held. The fees are nominal and there is little or no enforcement of the existing regulations. Licensees lobbied for a decrease in the number of SOLs issued, and for more stringent controls on the application process and the function licensed.

### 2. Misuse of Special Occasion Licences

In some areas, SOLs are being used for regularly scheduled events. In addition, applicants for SOLs have sometimes been found to be "fronting" for organizations or individuals who do not, themselves, qualify for a SOL. Others who wish to hold fund raising events have represented their purpose as "charitable", when, in fact, the profits were used for personal or corporate gain, or to improve the well-being of the organization and its members.

### 3. Non-compliance with Regulations

There were a number of instances brought to our attention where an SOL event did not conform to the regulations governing the licence: eg., overcrowding, service to minors, service to the intoxicated, distrubances to the surrounding neighbourhood, and so on.

As well, some groups holding public events were not aware of the requirement to charge and remit social service tax.

### 4. Enforcement

Lack of supervision and enforcement at special occasion events was identified as a problem from the perspective of the LCLB, the police and the communities in which the events are held. LCLB inspectors do not generally inspect or audit SOL events. The police, who are required to approve all private and public functions held by organizations, and are notified

of all family events, generally act as enforcement agents. However, they have limited resources to devote to these events.

## 5. Fee Structure

We have described the fees above. As these are daily fees, multiple licences are issued for events of more than one day. The fees do not cover the costs of administration and enforcement.

## 6. Fund Raising

Raising funds through an SOL function is an issue where the views of the LCLB often conflict with the organization, and the local government which may fully support the fund raising event, and the intended use of the profits. The application of the law and policy varies greatly in different regions of the province.

The Act states that no licence shall be issued for the prime purpose of making a profit, unless the General Manager of the LCLB is satisfied that the purpose of the special occasion is to raise funds for a bona fide charitable purpose. The term "charitable purpose" has been interpreted rather broadly to allow any social, fraternal, religious, sporting or community group to raise funds, so long as the profit is not used by the group "to improve their own well-being." Over time, the intent of the legislation has been eroded to accommodate numerous groups wishing to raise funds, and, in practice, a number of organizations have used SOL revenue for purposes outside the intent of the legislation.

## 7. Restrictions on Number of Licences

The submissions confirmed that the restriction on the number of licences issued remains the largest single cause of complaint regarding SOLs.

By LCLB policy, each community or district within a city, municipality or regional district may obtain SOLs for community or public celebrations during the calendar year, up to a maximum of six days per year. This restriction is subject to interpretation by the LCLB interprets this restriction to apply to historical or defined areas within a community. This policy is not rigidly applied but is subject to flexibility depending on the circumstances of the proposed function.

The primary rationale for setting limits is that these licences are intended for special, occasional use, and are not intended to compete with exisiting establishments. However, a large number of organizations and municipalities questioned the need for a limit, contending it is both inadequate and arbitrary. The UBCM passed a resolution a few years ago requesting either the removal of the limit or, failing that, an increase from six to 24 per annum.

## 8. Role of Municipalities

By LCLB policy, SOLs for pubic functions must be for a recognized community or public celebration or event, designated and approved as such by municipal authorities and/or the local police department.

In practice, the role that municipal authorities play in special occasion licensing varies from community to community.

The UBCM and many individual municipalities have expressed a strong interest in having complete authority to grant SOLs. Many of these municipalities feel they are in the best position to determine which special occasion events should be permitted, and the appropriate number of these events for their community. The municipality is also most often responsible for enforcement, through the local police force.

In summary, there are clearly a number of problems with the existing SOL system. What emerged from the hearings and submissions was the need for SOLs to be better regulated and controlled, and to have these licences revert to their orginal purpose: a special kind of licence for occasional use only.

## Proposed System

The proposed system of SOLs has two major elements to be considered. The first is the design of the system; the second is the administration of the system.

## A. Design

We reviewed the work done in this area by the Ontario Advisory Committee on Liquor Regulation during its recent review. We were favourably impressed with the overall direction and a number of the specific recommendations. Many of our recommendations closely parallel theirs.

The principles upon which the proposed SOL system is based are as follows:

- SOLs should be reserved for special, occasional use
- functions should be non-profit except for fund raising by bona fide charitable, educational or community service organizations
- the standards applicable to the service of alcohol in licensed establishments should apply to service at special occasion functions; and
- licence fees should cover the costs of administration and enforcement.

The objectives of the recommendations are to limit unfair competition with existing establishments, improve accountability and control, and ensure that functions are in compliance with the rules and regulations governing these licences.

# RECOMMENDATIONS

90. SOLs should no longer be issued for the sale of liquor except to bona fide organizations authorized by the municipality. Ongoing, regularly scheduled events should no longer be eligible for an SOL, rather they should be held under a regular LCLB licence. Other social events at which alcohol is sold must be held in a licensed establishment, or be served by a licensee who

has the appropriate licence endorsement.

91. Licence holders should be able to obtain an endorsement to their existing licence to enable them to serve alcohol at other locations which meet LCLB requirements. This would permit licensees to serve alcohol at events held in unlicensed premises. Thus, all of the LIQUOR CONTROL AND LICENSING ACT will apply. Using licensed servers will introduce more accountability, facilitate control of the event and increase the options available for enforcement.

92. Profits should not be generated using a SOL, except for fund raising by bona fide charitable, educational or community service organizations. Charitable purposes are limited to:

    — community service projects;

    — capital projects or acquisitions which will benefit the community as a whole;

    — donations to registered charities.

    Other organizations wishing to raise funds will be able to hold their event in a licensed establishment, without the need for an SOL.

93. SOLs should still be required for "no sale" public and private functions. Requiring a licence for such events ensures that municipalities and enforcement officials can be informed and can monitor and enforce, if required.

94. The SOL fees should be raised to more closely cover the costs of administration and policing of these functions.

95. The Act should be amended to provide clear authority for the police to immediately revoke a SOL for violations of the terms and conditions of the licence.

## B. Administration

The current system is a joint responsibility of several groups. The liquor store managers are responsible for issuing the licences, and for determining the legitimacy of both the applicant and the event. The local police are required to approve all public functions. Municipal authorities are also generally required to approve all public functions, although in some communities this has been delegated to the police.

The current system suffers from overlap and duplication, since all authorizing parties attempt to ascertain the legitimacy of the group and the function.

Submissions from the UBCM and a number of individual municipalities requested complete authority to grant SOLs. We fully support this request.

# RECOMMENDATION

96. The authority for approving SOLs should be delegated to municipalities or other appropriate local government.

We believe that the local authorities are in the best position to determine, WITHIN THE RULES AND GUIDELINES SET BY THE PROVINCE, which special occasion events should be permitted, and the appropriate number of events for their community. If a limit on the number of such events is to be set, it should be set by the local government, taking into account such factors as local needs, tourism-related events, and so on.

Some local authorities have already developed internal systems for dealing with SOLs. In a few jurisdictions, a particular department or group has been appointed to deal with such applications. An exemplary model for cooperation in this area can be found in Prince George. Representatives from the LCLB, municipality, enforcement officials and licensees meet annually to review all public function SOL applications submitted in response to advertising announcing the issuance of all such licences for the coming year.

Enforcement of SOL events would continue to be the responsibility of the local government.

# VIII
# RESTRUCTURING THE LIQUOR BRANCHES AND THE APPEAL PROCESS

## RESTRUCTURING THE LIQUOR BRANCHES AND THE APPEAL PROCESS

In 1976, a new LIQUOR CONTROL AND LICENSING ACT came into force. The Act created a Liquor Control and Licensing Branch and the LIQUOR DISTRIBUTION ACT created the Liquor Distribution Branch, each administered by a general manager. The branches were in the Ministry of Consumer and Corporate Affairs, and the minister and his deputy were directly involved in the management of the branches and acted as the structural link between the branches. In 1986, the Ministry of Consumer and Corporate Affairs was absorbed by other ministries. The Liquor Distribution Branch became part of the newly formed Ministry of Finance and Corporate Relations: the Liquor Control and Licensing Branch became part of the Ministry of Labour and Consumer Services

The separation of the branches has removed the common ministerial link and, in our opinion, has had a negative impact on communication between the two branches. The industry has also indicated that it is not in favour of the present organizational division, it finds it confusing to deal with two branches in separate ministries. The confusion of both the industry and the public is clearly illustrated by the large volume of misdirected correspondence dealt with by each branch.

Another problem with the current organizational structure is lack of continuity, in part attributable to frequent changes in the minister and deputy minister responsible. This particularly affects the Liquor Distribution Branch, which needs continuity in order to carry out long-range planning, obtain suitable facilities, and compete in the marketplace in a manner comparable to other retail operations.

It is important to recognize that although the Liquor Distribution and Liquor Control and Licensing Branches are related, they have very distinct functions. We, therefore, recommend that the two branches remain as distinct entities, under separate general managers. There is, however, clearly a need for the two branches to have a closer working relationship. Communication should increase, and more coordination should take place in the areas of planning, policy development, inspections and enforcement. The committee, therefore, recommends that the general managers of the two branches report to the chairman of a provincial liquor board. We note that most other provinces link the two liquor branches through a common board, commission or Crown corporation.

The chairman, and the members of the board, should be Order-in-Council appointments. The board should meet at least once a month to provide policy direction to the two branches, as well as to hear certain types of appeals. The provincial liquor board should have five members; any three members of the board should form a quorum. The two general managers would also be non-voting members of the board who would not sit on appeals of their decisions. The general managers would remain responsible for the day-to-day operation of their branches.

The chairman should report to the minister assigned responsibility for the liquor board, and would act as the coordinating force between the Liquor Distribution and Liquor Control and Licensing Branches and the executive arm of the government.

The existence of an autonomous board would allow for greater flexibility, and better coordination between the activities of the two branches. The ability to plan on a long-term basis would also be improved since the branches would be dealing with a board of some permanence. To achieve the desirable level of continuity and permanence, we recommend that the appointments be staggered, and that the terms of tenure be for a period sufficient to allow the members to develop familiarity with and expertise in, the area.

At present, some appeals from decisions of the general managers are heard by the Commercial Appeals Commission. This is a quasi-judicial body constituted under the COMMERCIAL APPEALS COMMISSION ACT to hear appeals under various statutes including the LIQUOR CONTROL AND LICENSING ACT, the LIQUOR DISTRIBUTION ACT, the COMPANY ACT, the INSURANCE ACT and the REAL ESTATE ACT. Appeals from refusals to issue a licence are heard by the Minister of Labour and Consumer Services.

There are significant problems associated with the current appeals process. First, because of the large number of appeals, and the busy schedules of the minister and his deputy, it is often difficult for the minister or his deputy to process the appeals in a timely fashion.

Second, there is nothing in the process to discourage frivolous appeals. Despite a $100 fee to appeal, almost every applicant who has been refused a neighbourhood pub licence appeals the refusal to the minister, as a matter of course. There is no fee to appeal to the Commercial Appeals Commission and the commission has no power to award costs in the event that one party abuses the appeal process or appeals in a case where there are clearly no grounds for appeal.

Another issue is the types of decision which is appealable. The Commercial Appeals Commission currently hears appeals from restrictions, suspensions and cancellations of licence, as well as "licensing" decisions in matter such as patio extensions, hours, seating capacity, off-sales, and approvals (as opposed to refusals) of licences. Many of the appeals from "licensing" decision are appeals which concern the policies of the Liquor Control and Licensing Branch. While the commission is generally respectful of the general manager's prerogative and expertise, the commission does have the power to step into the general manager's shoes, and make its own decision. There is a multiplicity of factors which go into a licensing decision, including historical precedents and other related licensing concerns. It is sometimes difficult to present the relevant background information in an easily understandable form as evidence on which the commission might base an informed decision.

The committee concluded that it is preferable to direct all "licensing" appeals to liquor board. All enforcement appeals, appeals from restrictions of licences and appeals from delisting decisions should remain with the Commercial Appeals Commission.

## RECOMMENDATIONS

97. Since the Liquor Distribution Branch is responsible for retailing and the Liquor Control and Licensing Branch is responsible for the regulatory funciton, they have different but nevertheless complimentary functions that should be managed through distinct entities. However, to achieve a balance between the objectives of control and revenue, both branches should have policy direction via one minister.

98. To provide an impartial and continuing administrative direction, fairness in policy formulation and direction and

to provide an equitable appeal process, the two branches should report to a newly created liquor board consisting of five members. The chairman and members of the board would be Order-in-Council appointments. The chairman of the board would report to the minister assigned responsibility for the liquor board, and would act as the link between the executive arm of government and the liquor branches.

99. Newly structured the liquor board should now hear appeals from "licensing" decisions. Formal appeals from enforcement decisions, restrictions of licences, and the delisting decisions should remain with the Commercial Appeals Commission.

## Implementation

Many of the recommendations in this report represent operational changes that, if accepted by the government, could be quickly implemented. The majority, however, represent policy changes that require leadership and coordination to achieve the most effective implementation. In our view, therefore, this should be done by the newly established board that we are recommending in this seciton. This approach will achieve the most beneficial results for not only the government, but also the beverage alcohol industry and the consumer.

# APPENDICES

## LIQUOR POLICY REVIEW HEARINGS

MONDAY, APRIL 13, 1987
Vancouver/Hotel Vancouver

| Company Name | Representative |
|---|---|
| Chewters Chocolates | Kelly Frampton |
| Stamps Landing | John Phillipson |
| Canada Safeway/Retail Committee | Don Bell |
| Cdn. Fed. of Independent Grocers | Blane Hagedorn |
| Bimini Neighbourhood Pub | Peter Uran |
| Independent Grocery Store | Peter Mitchell |
| Schooner Neighbourhood Pub | Steve Cox |
| B.C. Cabaret Owners Assoc. | Roger Gibson |
| B.C. Government Employees Union | Randy Pearson |
| Elephant & Castle | Jeffery & Peter Barnett |
| Import Vintners & Spirits Assoc. | Mr. D. Weinbren |
| Dussa Delicatessen | Rolf Freiff |
| B.C. Yukon Hotel Assoc. | Richard Gibbons |
| Assoc. of Canadian Distillers | Ken Campbell |
| Neighbourhood Pub Owners Assoc. | Ron Slinger |
| Insurance Corp. of B.C. | Hugh Lindsay |
| Stong's Market | Bill Rossum |
| Red Robin | Terry Bubb |
| Keg Caesars | Peter McElliott |
| Old Spaghetti Factory | Grif Tripp |
| Downtown Eastside Residents Assoc. | Sue Harris |
| Fogg n' Suds Restaurants | Gerry Kierans |
| Granville Island Brewery | Mitch Taylor |
| | Bill Murray |
| | Miss Nora O'Grady |
| Alcohol-Drug Education Service | Dr. Wait |
| Alcohol-Drug Education Service | Art Steinmann |
| Alcohol-Drug Education Service | Dr. Frank Anderson |
| Alcohol-Drug Education Service | Colin Mangham |
| Alcohol-Drug Education Service | Dr. Norm Ellis |
| Canadian Union of Postal Workers | Marianne Pollock |
| American Wine Society | Wayne Kozak |
| | Michael |
| Gilmore Associates | Cliff Gilmore |
| Bridges Restaurant | Peter Horwood |
| | Damian Inwood & |
| | Jerry Collins |
| | Howard Faulkner |
| | John Mitchell |
| | Eleanor Hadly |
| | Art Knudson |
| | Linda Nelson |

TUESDAY, APRIL 14, 1987
Burnaby/Sheraton Villa

| Company Name | Representative |
|---|---|
| Hiram Walker | B. Duddy, D. Coe, & |
| | J. Madson, E. Cain |
| 7 Eleven/Southland Company | Frank Farr |
| Western Research Service Inc. | Elmer Van Dych |
| | Paul Warwick |
| David Montague & Associates | Larry Gunn |
| Kelly, Douglas Limited/Extra Foods | Richard Bass |
| Burnaby Council of Women | Mrs. Barkley |
| | Mrs. Crowley |
| B.C. Government Employees' Union | Randy Pearson & |
| | Billie Carroll |
| | Peter Marwick |
| United Church of Cda./Westminster | Russel Bearisto |
| Seagrams | Martin Landry |
| Diego's at Severins | John Morin |
| Vancouver Wine Festival | John Levine |
| Neighbourhood Pub Association | Ken Tenant |
| Neighbourhood Brewing Co. | Brian Tweed |
| Seaboard Advertising | Bob Smart |
| Representing several Restaurants | Byron Woods |
| P.J.'s Allstar Cafe | Cam Watt |
| | Mrs. M. Nelson |
| | Mrs. M. Vaneck |
| Public Service Alliance | Janet Rutledge |
| Youth Workers of the North Shore | Craig Johnston |
| The Wine Consumer | Albert Givton |
| Cosmopolitan Wine Agents (B.C.) Ltd. | Gus Panz |
| Sheraton Villa | Menno Devries |
| Awareness Program | Mona Leduc |
| Ambulance & Paramedics of B.C. | Adriane Kroll |
| B.C. Hotel Association | Rick Higgs |
| | Donna Bonchristianson |
| Fetal Alcohol Syndrome | Dr. Robinson |
| Resource Group | Dr. C. Loock |
| | Rick Bennett |
| End Legislative Poverty | Jean Swanson |
| Wolray Hotels (Fraser Arms/Austin) | Hasham Karim |
| Cat & Fiddle Pub | Bill Rudy |
| Langley Grocer | Harry Bloy |
| Korean Businessmen's Coalition | Charles G. Lee |

WEDNESDAY, APRIL 15, 1987
Vancouver/UBC

| Company Name | Representative |
|---|---|
| Supervalue - Park Royal | Bob Wyllie |
| Warner Holdings Ltd. | Byron Aceman |
| Andres Wines/Retail Committee | Bill Brown |
| City of North Vancouver | Francis Crouette |
| B.C. Hotel Association | Dick Gibbons |
| B.C. Government Employees Union | |
| University of B.C. Faculty of Business Administration | Professor Jim Forbes |
| | Ruth Hume |
| Capilano College | Robert Campbell |
| Neighbourhood Pub Owners Assoc. | Allan Reidlinger |
| Consolidated Beverages | Ron Gamble |
| Darby D. Dawes Pub | Michael Eayds |
| Robson Grill | Richard Floody |
| | Byron Woods |
| | Fred Valdes |
| | Bruce Michael |
| Imported Beer Co./Ontario | John Sleeman |
| Trans Ad/CounterAttack Ad Rep | John Marshall |
| City of Vancouver | Mayor Gordon Campbell |
| Wyder's Apple Cider Co. | Iain Wyder |
| | Mrs. Gerber |
| UBC Alma Mater Society | Caroline Rigg |
| Import Vintners & Spirits Assn. | Mr. D. Weinbren |
| | Ron Gamble |

| | |
|---|---|
| Basil D. Hobbs Inc. | Duncan Hobbs |
| | Anonymous woman |
| | Donovan Norquay |
| New Westminster Ministerial Assoc. | Rev. R.I. Warren |
| | Gregory Bloss |

THURSDAY, APRIL 16, 1987
Victoria/Empress Hotel

| Company Name | Representative |
|---|---|
| Neighbourhood Pub Owners | Watson Barthwick |
| | Maude Hunter |
| B.C. & Yukon Hotels Assoc. | Marcel Fisher |
| Shop-Easy | Barry Kinard |
| Restaurant & Food Services Assn. | Adrian Cownden |
| Rattenburys | Christopher Causton |
| Overwaite | Gary Heppell |
| Victoria & District Labour Council | Andre Pel |
| B.C. Government Employees Union | Darryl Barnet |
| Nation Union of Provincial Government Employees | John Fryer |
| District of Saanich | John Mica |
| | Murray Coell |
| | Brendan Read |
| Neighbourhood Pub Owners Assoc. | Gary See |
| Prairie Inn | Brian Mayzes |
| | Mrs. Prue Cunningham |
| Spinnakers Brew Pub | Paul Hatfield |
| B.C. Government Employees Union Social Education & Health Services | David Winter |
| MADD | Joyce Engel |
| Monkeytree Pub | Whitey Severson |
| Island Pacific Brewery | John Hellemond |
| Alcohol-Drug Education Service | Art Steinmann |
| B.C. Professional Firefighters | Terry Erskine |
| Victoria Parent Support Group | Brian French |
| | Mrs. Ann Malloy |
| | Dr. T.A. Barber |
| Slumber Lodge | Jack Hepurn |
| | Fred Vohs |
| Lewis Bros. Winery | Dr. Michael Lewis |
| Dominion Hotel | Duncan Morrison |
| | Paul R. Malkin |
| Spinnakers Brew Club | Raymond Ginnever |
| City of Victoria | Murray Glazier |
| | Fred Valdes |
| United Church of Canada (Victoria) | Mr. Howard |
| Kanke Restaurants | Bud Kanke |
| Victoria Native Friendship Centre | Alec Nelson |
| Hungarian Village Rest. | George Acs |
| CFRA | Michael Fuller |
| | Dale Wood |

TUESSDAY, APRIL 21, 1987
Vernon/Village Green Inn

| Company Name | Representative |
|---|---|
| Okanagan Spring Brewery Ltd. | Buko vonKrosigk |
| Non-Alcoholic Beer & Wine Dist. Assn. | Dr. Jim Tisdale |
| Salvation Army/Vernon | George Evans |
| | Mike Lakusto |
| Okanagan South Social Credit | Don McIntosh |
| Kelowna Airport Gift Shoppe | Rose Hoffman |
| Royal Canadian Legion/Lumby Br. | John McAlister |
| Saxon Inn/Fortune Inn/Enderby Inn | Vic Laventure |
| Okanagan Hotel & Pub Assn. | Bud Mooney |
| B.C. Government Employees Union | Martin Ware |
| Okanagan Hotels Assn. | Fred Beruschi |
| | Gerry Obrecht |
| Restaurant & Foodservices Assoc. | A. Wolfgang Gachter |
| Night Club Employee | John Alward |
| Gray Monk Winery & OVEWA | George Heiss |
| Village of Midway | Jim McMinn, Mayor |
| Golden Nugget Pub | Steve Brodie |
| Royal Canadian Legion, Vernon | Stan Morrison |
| Summerland Chamber of Commerce | Richard Toevs |
| Penticton Licensed Premise Assn. | Larry Lund |
| | Ron Bell |
| Natl. Auto. Aero. & Agric. Wkrs. of Cda. | Bill Adams |
| Okanagan Spring Brewery | |
| Kelly, Douglas Limited | Don McIntosh |
| Assoc. of B.C. Grape Growers | Sue Irvine |
| Uniacke Estate Wines | David Mitchell |
| On Premise Brewing Assn. | Jim Ellerbeck |
| Canadian U-Brew Franchising Inc. | Rainer Astfalk |

WEDNESDAY, APRIL 22, 1987
Kamloops/Coast Canadian Inn

| Company Name | Representative |
|---|---|
| B.C. Medical Association | Dr. A. Clews |
| Phoenix Centre | Marg Fritz |
| Kamloops Downtown Business Assn. | Chuck Davidson |
| E & R Foods Ltd. | Ed Rende |
| B.C. & Yukon Hotels' Assoc. | Mary Ann Milobar |
| Assn. of B.C. Grape Growers | Dick Stewart |
| Keg Restaurants | Kelly Nordin |
| B.C. Government Employees' Union | Don Proudfoot |
| | Dennis Coates |
| Restaurant Association | Julia Stodola |
| Wells Gray Fly Inn | George Marcyniuk |
| | Leonard Cornies |
| Neighbourhood Pub Owners Assoc. | Joe Deacon |
| Nicola Valley Indian Band | Tom Fraser |
| | Al Dickinson |
| | Bill Wood |
| School District No. 24 Kamloops | |

THURSDAY, APRIL 23, 1987
Castlegar/Fireside Inn

| Company Name | Representative |
|---|---|
| | Chris D'Arcy, MLA |
| | Joe Weeby |
| Supervalue | George Woods, Jr. |
| Castlegar Ministerial Assn. | Ted Bristow |
| B.C. & Yukon Hotels' Assoc. | George Eisner |
| | Judith John |
| City of Rossland | Ald. Mike Pistail |

| | |
|---|---|
| B.C. Government Employees Union | Gabby Gravel & Michelle Luknowsky |
| Jones Store Ltd. | Peter Duck |
| City of Trail | Mayor Charles Lake |
| David Thompson Student Society | Patricia Lakes |
| Salvation Army/Nelson | Darrell Jackson |
| Access | Ken Gould |
| United Steel Workers of America Local 9705 | Ron Schmit |
| Trail Festival | Eric O'Dell |
| | Mr. T. Esposito |
| Nelson/Trail District Labour Council | Gordon Titsworth |

MONDAY, APRIL 27, 1987
Nanaimo/Coast Bastion Inn

| Company Name | Representative |
|---|---|
| Dyson Holdings Ltd. | Mrs. Dyson |
| | Mr. & Mrs. Girotto |
| | Kevin Clease |
| | Richard Carlson |
| | Dr. Ralph Miler |
| | Alf Flett |
| B.C. Government Employees Union | Audrey Erhardt |
| Womens Christian Temperance Society (Duncan) | Elizabeth McDougall |
| | Dale Lovick, MLA |
| Canadian U-Brew Franchising | Jim Young |
| Campbell River Lodge | Ted Arbour |
| | Ralph Johnson |
| Nanaimo Ecumenical Centre | Ann Saxer |
| M.A.D.D. | Karla Newstone |
| Nuu-chah-nulth Tribal Council | Gerald Westley |
| | Simon Lucas |
| Salvation Army (Nanaimo) | Captain Paul Leslie |
| Retail Wine Commitee of B.C. | Don McIntosh |
| Knox United Church | G.A. Affleck |
| Brewers Wineries & Distillery Workers Union, Local 300 | Gordon Deugau |
| Village of Gold River | Sheila Johnston |
| | Joe Webber |
| Hillcrest Store | Milt Landsiedel |
| People Cabaret | Stuart Murray |
| Village of Sayward | Jim Loftus, Mayor |
| | Shirley Hoffberg |
| Mahler House Restaurant | Delbert Horrocks |
| Pacific Brewers Distributors | Frank Judge |
| Molson Breweries | Jack Beach |
| Labatt Breweries | Phil Carter |
| Carling O'Keefe Breweries | Kevin Shaughnessy |
| B.C. Hotels' Assoc. - North Zone | Dave Struthers |
| B.C. Hotels' Assoc. - North Zone | Lyle Acton |
| Food King | Stephen John |
| Kawawis Family Development Centre | Pat Koreski |
| Nanaimo Alcohol-Drug Task Force | Dr. Brian Emerson |

TUESDAY, APRIL 28, 1987
Prince Rupert/Highliner Inn

| Company Name | Representative |
|---|---|
| Super Value (Prince Rupert) | Gord Carlyle |
| Letter received from Terrace Ministerial Association. | |
| Ocean View Hotel | Mike Gaber |
| | Joe Gaber |
| Northwest Alcohol & Drug Counselling | Doug Foster |
| Northwest Alcohol & Drug Counselling | Janice Robinson |
| Regional District of Kitimat-Stikine | |
| B.C. Government Employees Union | John McKeown |
| City of Prince Rupert | Mayor Peter Lester |
| Community Intervention Organization of Prince Rupert | Flo Meyers |
| | Jack Kasrakoff |
| B.C. & Yukon Hotels' Association | |
| Prince Rupert & Terrace Hotel Assoc. | Harvey Youden |
| | Rod Verstrate |
| Canada Safeway | Gary Seriani |
| | John Murray |
| Wrinch Memorial Hospital | Dr. Muir |
| Regional District of Kitimat-Stikine | |
| Jezebel Cabaret | Mary Dasilva |
| | Larry Guno, M.L.A. |
| Prince Rupert Labour Council | Byron Howard |
| Community Services Resource Group | Fred Anderson |
| Prince Rupert Ministerial Assoc. | Grant Bogyo |
| Prince Rupert Pentecostal Tabernacle | Bill Simard |
| Prince Rupert Christian Academy | Ross Campbell |
| | John McKeown |
| La Gondola Rest. | John Barazzuol |

WEDNESDAY, APRIL 29, 1987
Queen Charlotte Islands/Lions Club

| Company Name | Representative |
|---|---|
| Super Value | Mike Bundock |
| BCGEU | Tanis Woode |
| Lions Club Sandspit | |
| | Bob Long |
| BCGEU | Yvonne Hardy |
| Queen Charlotte Health Care Society | H. Ireland |
| | Bob Henderson |
| | Retired Minister |
| National Native Alcohol & Drug Abuse Counsellor | Jean Cramer |
| | Richard Baker |
| | Lance |
| | Mr. Henry |
| Sandspit Christian Church | Tom Meland |

THURSDAY, APRIL 30, 1987
Fort St. John/Pioneer Inn

| Company Name | Representative |
|---|---|
| St. Marks Anglican Church Women | Chris Broad |
| The George Dawson Inn | Paul Teolis |

| | |
|---|---|
| City of Fort St. John | Wayne Gretzinger<br>Alderman |
| Alcohol and Drug Counsellor | Mansell Gray |
| Fort St. John District Hotels & Pub | Jim Gibb |
| District of Hudson's Hope | |
| BCGEU | Chuck Hatherly |
| Seventh Day Adventist Church | Dorse Prosser |
| Overwaitea - Fort St. John | Gary Heppell |
| District of Tumbler Ridge | Bob Miles |
| Neighbourhood Pub Owners Association | Gary See |
| Taylor Curling Club | Hank Lynn |
| Village of Taylor | Bruce Lloyd |
| Peace River District Labour Council | Ricardo Loro |
| Halfway River Indian Band | Chief Bernie Metechea |

FRIDAY, MAY 1, 1987
Alkali Lake / Alkali Lake Community Hall

| Company Name | Representative |
|---|---|
| South Cariboo & District Labour Cncl. | Ivan Bonnell |
| BCGEU | W. Munro |
| | Tom Barr |
| Oasis Pub | Paul Drescher |
| Alkali Lake Band | Chief Andy Chelsea |
| United Church - Cariboo | Jody Dudley |
| Cariboo Friendship Centre | David Ross |
| Williams Lake Drug & Alcohol | Joslyn Wood |
| Williams Lake Street Worker's Project | Chuck Lucas |
| Quesnel Alcohol & Drug Program | Bob Krzyzewski |
| Nazko Band | Chief Stan Boyd |
| | Wayne Abrueck |
| Chilcotin Indian Band | Roger Jimmy |
| City of Williams Lake | Charlie Wyse, Alderman |

MONDAY, MAY 4, 1987
Chilliwack / Cottonwood Inn

| Company Name | Representative |
|---|---|
| Beer Importers Assn. of B.C. | Herb Reinhardt |
| Haida Trading Inc. | |
| Super Value | Bill Mitchell |
| Alcohol-Drug Education Services | Art Steinmann |
| | Margaret Koop |
| Alcohol-Drug Education Services | Mark Tasaka |
| Wine Council of B.C. | Bill Koruz |
| BCGEU | Robin Rutherford |
| Carol Enterprises Ltd. | Mr. Barichello |
| 7 Eleven/Southland | Greg Ross |
| | Alec Graham |
| G & H Marketing Enterprises Ltd. | Marv Hampton |
| Chilliwack United Church | Rev. Rob Lees |
| District of Abbotsford | Dennis Donald |
| | Walter Harder |
| | Peter Harder |
| Representative for several restaurants | Bill Stewart |
| Native Court Worker | Shelley Gerow |
| Mission Memorial Hospital | Neville Cox |

| | |
|---|---|
| Royal Canadian Legion - Mission | Peter Kehler |
| | Rev. Paul Walker |
| B.C. Cabaret Owner's Assn. | Marvin Wosk |
| Chilliwack Community Services | Marilyn Fane |
| B.C. & Yukon Hotels' Assn. (New West) | Brad Fletcher |
| Yale Agency Store | R.C. Barry |
| | Barry Haworth |
| Fraser Valley Inn | Larry Luchak |
| | Rev. H.A. Bold |
| | Gary Stanford |
| | Jim McCaughan |
| School District #33 (Chilliwack) | Victor Tunbridge |
| | Susan Bartleman |
| | Jane Baker |
| Matsqui Police | |
| District of Matsqui | Henry Tiechrch |
| | Alderman |

TUESDAY, MAY 5, 1987
Prince George / Inn of the North

| Company Name | Representative |
|---|---|
| Cariboo Food Markets Ltd. | Len Hamm |
| North Central Raceway Park | Gordon Shade |
| City of Prince George | Murray Krause & |
| | Cliff Dezell |
| Motherlode II (Agency Store) | Bud Wilkinson |
| | Susan Gooding |
| Bear Lake Agency Store | Dan Callaghan |
| BCGEU | Chuck Hatherly & |
| | Virginia Newman |
| | Robert Gracey |
| 7 Eleven/Southland | Dick McManus |
| Canadian Addition Foundation | Joan Lasure |
| Prince George Chapter | |
| Bednesti Lake Resort | Jim Gibson |
| Powder King Ski Village | John Morrison |
| Restaurant & Food Services Assn. | Fred Kollner |
| B.C. & Yukon Hotel's Assoc. | Al Thun |
| Prince George Vis & Con. | Graham Holmes |
| Mowhawk Oil Co. Ltd. | John Gran |
| | Gordon Winter |
| | Lorne Mountain |
| JJ's Pub | Doug Johnston |
| Prince George Ministerial Assn. | Rev. Nelson Rajotte |
| Moricetown Community Health | Adeline Holland |
| Union Board of Health | Dr. John S. Millar |

WEDNESDAY, MAY 6, 1987
Kimberley / Centennial Centre

| Company Name | Representative |
|---|---|
| Super Value | Jim Stone |
| E. Kootenay Alcohol & Drug | Dr. Bob Sheffield |
| Kootenay Indian Area Council | Sophie Pierre |
| E. Kootenay Alcohol & Drug | Christine Rinaldi |
| | Dr. Roy Messing |
| BCGEU | Jim Sherrett |

| | |
|---|---|
| Community Intervention Society of Elk Valley | Bob Roebernick |
| Xi Delta Omicron | Diana McLeod |
| Lamplighter Pub - Elkford | John Wishlow |
| Letter from All Saints Anglican Church | |
| Letter from Canal Flats Agency Store | Victor Menegozzo |
| Kootenay Hotel Association | Al Uridge<br>Dan Rocheleau |
| Fernie Women's Resource | Cindy Pace |
| B.C. & Yukon Hotels' Assoc. | Rick Higgs |
| Kimberley Nurses Association | Marian Stang &<br>Heather Krane |
| Cranbrook Consultative Committee for Better Education | Ursula Bouy |

THURSDAY, MAY 7, 1987
Richmond/Delta River Inn

| Company Name | Representative |
|---|---|
| Tudor Inn Hotel | Gary Holowaychuk |
| Turkey's Party Makers Ltd. | Rob Kielesinski |
| Duty Free Association | Armand Savage &<br>Scott McMaster |
| | M. Foreman/C. Legge |
| | G. McFarland/<br>S. Bagshaw |
| School District #41 (Burnaby) | Elmer Froese<br>Harry Rankine<br>Chris O'Toole |
| Jade Developments | Mrs. Ilse Morris |
| Kaiser Substance Abuse Foundation | Ross Ramsey |
| The Mark Anthony Group Ltd. | Graham Waymark |
| Retail Wine Committee of B.C. | Don McIntosh |
| Salvation Army | Major Lewis |
| Campaign for Real Ale | John Atkin |
| Safeway | Don Bell |
| Moose McGillicuddy Cabaret | Wayne Knecktel |
| Ventura Imports | David Brun<br>Neil MacAulay |
| Township of Richmond | Gil Blair, Mayor |
| Union of B.C. Municipalities | Gil Blair |
| Musicians Assoc. Local 145 | Stewart A. Barnett |
| Independent Cabaret Owners | Mr. Burt<br>Owner, Gandydancer Cabaret<br>Lance Rogers |
| Alcohol-Drug Education Service | Mark Tasaka |
| Fraser Valley Inn | Larry Luchak |